



CITY OF DURHAM, NORTH CAROLINA BUDGET FISCAL YEAR 2016 - 2017



Durham – Where Great Things Happen



City Vision Statement

Durham is the leading city in providing an excellent and sustainable quality of life.

City Mission Statement

To provide quality services to make Durham a great place to live, work and play.

Council Goals

- Strong and Diverse Economy
- Safe and Secure Community
- Thriving Livable Neighborhoods
- Innovative & High Performing Organization
- Stewardship of City's Physical and Environmental Assets

About the Cover



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Jillian Johnson

Don L. Moffitt

Charlie Reece

Steve Schewel

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Durham – Where Great Things Happen

The Government Finance Officers association of the United States and Canada (GFOA) presented an award for Distinguished Presentation to the City of Durham for its annual budget for the fiscal year beginning July 1, 2015. The award is valid for a period of one year only.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Durham
North Carolina**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, reading 'Jeffrey R. Egan'. The signature is written in a cursive style with a prominent 'J' and 'E'.

Executive Director



Bell



Cole-McFadden



Davis



Johnson



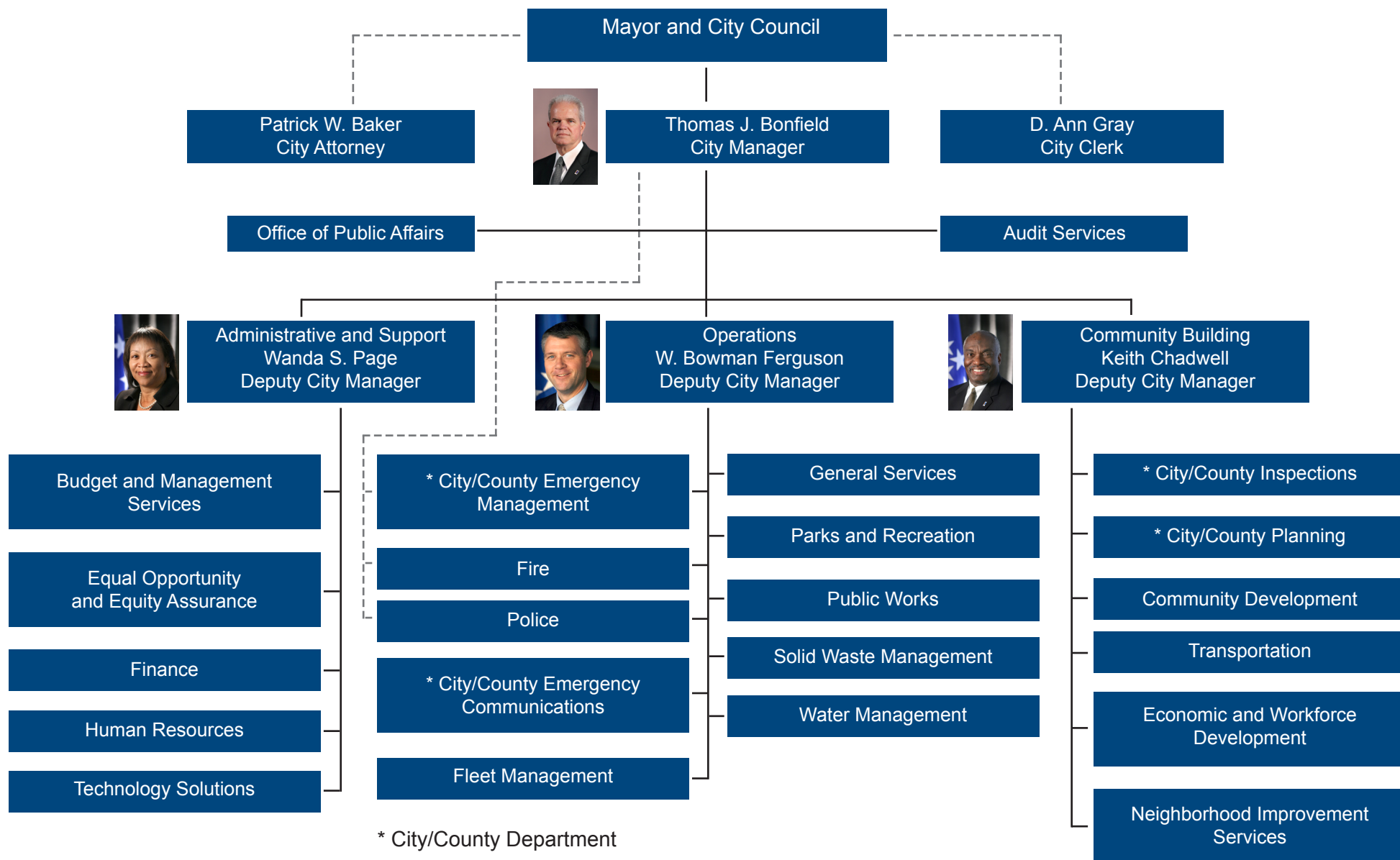
Moffitt



Reece



Schewel



Introduction

The budget document is the annual financial plan for City operations for the period covering a fiscal year, July 1 - June 30. This plan describes sources of revenues and how funds will be spent during the year.



The Annual Budget has four basic functions. First, it expresses the policy of the City Council. Through the budget, the City Council exercises its authority to allocate resources. As a part of the budget review process, the City Council determines the tax rate for each fiscal year. Other fees, such as water and sewer rates, tipping fees, parking rates and cemeteries fees, may be reviewed and adjusted if necessary. At that time, the Council also makes appropriate salary adjustments.

Secondly, the budget is a management and planning tool. The budget and subsequent accounting reports allow managers to isolate potential problems and ensure that City resources are used effectively and efficiently. The process of preparing the budget provides the opportunity for managers to evaluate their operations and to formulate goals and objectives for the upcoming year. The budget system also provides a means of monitoring progress toward those goals throughout the year.

Thirdly, the Annual Budget is a means of communicating to the citizens of Durham and others how public funds are spent. The budget is a tangible expression of the City Council's policy direction. To citizens, the budget is a symbol of the policy of the City Council and the actions of the City Administration.

Finally, the budget is the foundation for the proper accounting of City funds. It expresses in financial terms the goals and plans of the City Council.

The types and amounts of authorized expenditures and the means for financing them are set forth in the budget. Once the budget is recorded in the accounting system, it serves as a control device to keep spending within authorized limits.

Budget Document Organization

The **Letter of Transmittal** is the first and most important section of the budget document. The Letter of Transmittal is the City Manager's proposed plan for service for the coming fiscal year. Also included in the letter are some of the operational issues that the administration has faced in the current fiscal year. In addition, the Manager outlines the financial plan for the following fiscal year.

Another indication of the City's plan for service is expressed in the **City Priorities and Policies** section. This section contains the performance indicators that measure the City's success in achieving the community's goals as well as strategies that departments will employ for the upcoming fiscal year.

The actions that a city takes in one year may affect its ability to fund other initiatives in future years. The **Multi-Year Fund Projections** section includes five-year projections for the General Fund and the Enterprise Funds.

The next two sections, **Budget Summaries** and **Fund Summaries**, show the actual amount spent in each of the funds during Fiscal Year 2014, the budget for Fiscal Year 2015, an estimate of revenues received and expenditures made at June 30, and the budget as adopted by the City Council for Fiscal Year 2016. The Budget Summaries look broadly at revenues and expenditures on a fund level. The sections are provided to give the reader an overview of the adopted budget. Although the budget ordinance represents the official adopted ordinance, the total revenues and appropriations in terms of actual dollars is net of intrabudget transactions. This prevents counting the transfer amounts twice, once in the receiving fund and once in the sending fund.

The Fund Summaries look more specifically at revenues and expenditures by appropriation categories and revenue categories.

The next five sections show budgetary, performance and operational information by functional category: Governance, Administrative and Support, Community Building, Public Safety and Public Services. Each department describes its mission statement, overall performance and context indicators and service changes requested for the proposed budget. A budget summary is provided on appropriation and program revenue information by departments for the previous year (actual), the current year (budgeted and estimated) and the new budget year (adopted).

The **Debt Management** section is provided to give the reader an overview of the city's debt service obligations, both for the following fiscal year and in the future. The section also provides information on the City's legal debt limit and the City's overlapping debt (County debt borne by City taxpayers).

The **Capital and Grant Project Information** section of the budget describes the capital projects that have been approved as part of the Capital Improvements Program (CIP). The CIP is the companion document to the budget and outlines the plan of capital improvements over a six-year cycle. In order to be included in the CIP, a project must require the expenditure of at least \$100,000 in any one of the six years. Projects associated with normal scheduled maintenance activities are not included in the CIP.

Supplemental Information provides information on the Budget Ordinance and the Financial Plan that the City Council adopts in June. Also, information on the City of Durham and a glossary are provided in this section.

Adherence to State Statutes

The General Statutes of North Carolina require that the City adopt an annual balanced budget. The annual budget is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a

modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred.

The General Fund has an officially adopted annual budget. The appropriations in the budget ordinance for the various operating funds are on a functional basis. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, they do have legally adopted balanced budgets.

The adopted Budget Ordinance includes the budget for the General Fund, the Enterprise Funds and the Fiduciary Funds. The Special Revenue Funds are comprised of grant funds that are included in grant project ordinances. State Statutes give local governments the option of either including grant funds in the operating funds or approving grants through grant project ordinances. Financial plans for each of the City's internal service funds are adopted by the City Council in a separate document that conforms to State Statutes.

The General Statutes also require balanced project ordinances for the life of projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. The descriptions of capital projects included in the budget document are also provided in order to conform to State Statutes that require the inclusion of this information.





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May 16, 2016

Mayor Bell and Members of the Durham City Council:

I am pleased to present the proposed Fiscal Year 2016-17 budget. Durham's budget is more than just a collection of numbers, charts and tables detailing the City's revenues and expenditures. It is the culmination of months of intense work, guided by the Strategic Plan, the priorities of the City Council, and the specialized expertise of our staff. It is the result of a series of reviews and decisions that focus on where we have been, where we are and where we want to be in the next five to ten years. The Strategic Plan continues to be a guide for budget decision-making. The plan drives staff to reflect upon the services provided and the value of these services to the community remaining mindful that the decisions we make today will impact Durham's future.

“Government exists for the interests of the governed, not for the governors” Thomas Jefferson

Beginning in 2015 and continuing into 2016 there was a surge of residents taking to the streets on a variety of issues and concerns across our nation. For the most part, these events were courageous demands for justice and dignity from people brave enough to stand up for their beliefs. Durham is no different; residents took to the streets in mostly peaceful demonstrations to have their voices heard. Over the years, the executive office has made strides to make this organization more transparent and open to the community. We want to hear from residents and we want residents to hear from us. As part of the FY 17 budget, we will take government to the streets as well. The increase of 20 new police officers will enhance neighborhood policing efforts. The new “City Hall on the Go!” van will be visiting neighborhoods across Durham to increase two-way dialogue between residents and City staff. The resident survey will be conducted annually instead of every other year to better inform staff of the needs and priorities of the community. A Community Liaison Officer in the Police Department as well as a full-time support staff from the Neighborhood Improvement Services Department will be dedicated to census tract 10.01 to assist in the Mayor's Poverty Reduction Initiative.

Not every issue will rise to the level worthy of “taking it to the streets” but residents can take it to social media, or send an email or a letter. An integral part of the updated City website is the ease in which residents can have relevant information delivered right to their email. Whether from Facebook, Twitter, the City's website, individual department evaluation forms, resident surveys, council meetings, or PAC meetings, we want to hear from residents about what they like, what should change and what they want to see in the future. City staff has and will continue to work diligently to open the lines of communication so that everyone can have a say in their community.

I am pleased that the budget deliberation process, which has included many opportunities for the exchange of information, as well as for community and City Council input, is leading to a sound proposed budget reflective of the community priorities. The Mayor and City Council have taken the community's feedback into careful consideration. The changes described in the context of this document addresses core services that are at the heart of the community's quality of life.

Durham has an outstanding reputation for citizen participation in the budget process and has been nationally recognized. During this year's budget development process the City Council attended five "Coffees with Council" to gather input on the development of the upcoming year's budget and Capital Improvement Plan (CIP). Two Public Hearings were also scheduled to receive comments from residents. The first, to receive input on priorities for the upcoming year, was held on March 7th. The second Public Hearing will be held on June 6th to receive feedback on the proposed budget. In an effort to diversify feedback received from residents, Budget & Management Services partnered with Public Affairs and Technology Solutions to launch Durham Speaks, an online portal with opinion polls and discussion forums, through the City's upgraded website. Residents had an opportunity to respond to questions posed by City employees. Three forums have been released to date, with a fourth to open following the Manager's presentation on the budget.



The City Council budget retreats were held in February, which provided an opportunity for City Council members and Administration to discuss and confirm priorities for the upcoming fiscal year. Administration also briefed City Council on financial projections and major initiatives for the upcoming budget. The result of these transparent interactions generally yield the same major community priorities, all of which are included in one or more of the Strategic Plan goals:

- Strong and Diverse Economy
- Safe and Secure Community
- Thriving and Livable Neighborhoods
- Innovative and High-Performing Organization
- Stewardship of City's Physical and Environmental Assets

The City Council adopted budget guidelines to inform the development of the budget. These guidelines, along with the strategic plan, served as the framework for developing the budget, and includes:

- The tax rate for the General Fund should not exceed the revenue neutral value except as required to fund additional police personnel (20 FTEs) and keep Parks maintenance funding at ½ cent. An additional tax rate increase may be considered to fund initiatives that address quality of life issues.
- The tax rate for debt service and cash funded capital will not exceed the current rate of 13.02 cents per \$100 assessed value (including fleet replacement).
- General Fund savings balance will not be projected to fall below 12% at the end of FY2016-17.
- The tax rate for the Solid Waste Fund will not exceed revenue neutral value except as required to fund an additional collection crew beginning in FY2017-18 (2 FTEs).
- Funding of the Downtown Business Improvement District (BID) should be considered at the revenue neutral rate plus the addition of downtown compactors as proposed by the Solid Waste Management Department. Consideration of other new initiatives beyond that will require a further increase in the BID property tax rate.

- The tax rate for the Dedicated Housing Fund will remain at 1 cent (per \$100 assessed value) pending the adoption of an affordable housing strategy.
- The Transit Operating Fund tax rate allocation will not exceed the adjusted revenue neutral rate. Consideration of additional new/expanded services included in the update to Bus and Rail Investment plan will require an increase in the property tax rate allocation.
- Non-recurring funds should not be directed toward recurring uses.
- Fees adjustments will be considered, as appropriate, to align fee revenues with cost of services for better cost recovery rates.
- Proposed water and sewer rate increases will not exceed an average of 3.0%.
- Stormwater rates will remain unchanged for the FY2016-17 fiscal year.
- The following pay and benefit components will be proposed:
 - Pay for Performance (P4P) pay plan for General employees - 4.0% average (0.5% increase).
 - Pay Plan for sworn Police employees - 4.5% average (1% increase).
 - Pay Plan for sworn Fire employees - 4.0% average (0.5% increase).
 - Supplemental Retirement (401K) – will remain at 5.0%.
 - Medical Insurance for all employees - average increase for the City 10% and employees 5%.
 - Dental insurance – cost will remain flat for both the City and employees.
- Funding for 20 additional sworn police officers (20 new FTEs) will be included in the general fund budget to be filled pending the results of the police staffing allocation study.
- New funding priority will be given to those requests that support the strategic plan including those initiatives that address quality of life issues.
- Funding for deferred maintenance will increase by \$100,000 from \$600,000 for FY2015-16 to \$700,000 for FY2016-17.
- The dedicated street resurfacing fund will be increased by \$1,000,000 from \$2,000,000 for FY2015-16 to \$3,000,000 for FY2016-17.
- Fleet replacement funding for the General Fund will be provided in accordance with the Fleet department's 10-year recommendation plan within the debt model.
- General Fund balance will be considered to fund the sworn Police take home vehicle initiative.

BUDGET OVERVIEW

The total proposed **budget** for **FY2016-17** is **\$403.7 million** compared to \$388.2 million for FY2015-16, an **increase of \$15.5 million** (4%).

North Carolina law requires all counties to reappraise real property every eight years. This past year Durham County reappraised all real property in the county (last reappraisal took effect on January 1, 2008). Reappraisals cover all residential and commercial land and structures, which includes homes, apartments, condominiums, office buildings, stores and warehouses. Reappraisals do not include what is classified as individual personal property, such as vehicles, boats, airplanes, and business equipment. These property types are valued annually. The reappraisal market value becomes the tax value for every year until the next reappraisal occurs. Citywide, total real property assessed value has changed as follows:

Total 2015 Value (2008 rates)	Total 2016 Projected Value	% Change
\$20,692,731,179	\$24,050,867,898	16.2%

G.S. 159-11 requires each taxing unit to publish a revenue-neutral property tax rate (“revenue-neutral rate”) as part of its budget for the fiscal year following the revaluation of its real property. Revenue-neutral rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no revaluation had occurred. The revenue-neutral tax note by category for FY16-17 is as follows:

Funds	Current	Revenue Neutral
General Fund	34.88	32.11
<i>Parks</i>	0.50	0.46
Debt	13.02	11.98
Housing	1.00	0.92
Transit	3.87	3.56
Solid Waste	5.85	5.38
Total	59.12	54.41

The revenue-neutral tax rate, as defined by G.S. 159-11(e), is 54.41 cents. The proposed property tax rate for FY2016-17 is 56.07 cents, which represents a 3.05 cent decrease from the current property tax rate of 59.12.

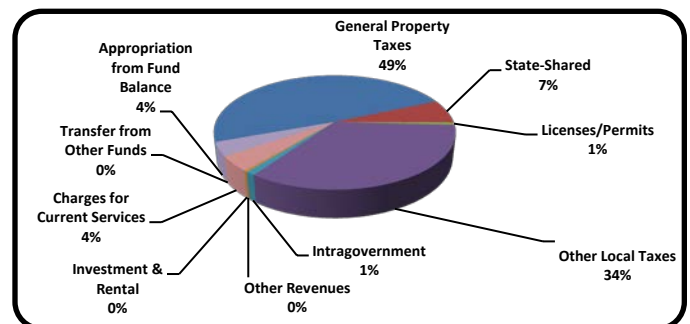
GENERAL FUND

The General Fund budget (which provides funding for core city services) is **\$180.9 million** and represents a **9.1 million (5.3%) budget increase** from the FY2015-16 budget of \$171.8 million.

Revenues

(budget-to-budget)

- The General Fund shows:
- A **0.5% decrease in property tax revenues** recognized in the General Fund.
- A **15.0% increase in Other Local Taxes**
 - A 15.1% increase in sales tax revenue.
 - A 14.4% increase in Occupancy Tax



- An overall increase in **State Collected Local Government Revenues** of **1.07%**.
 - Powell Bill revenue is anticipated to remain flat.
 - A 3.1% increase in Beer and Wine tax
 - A 2.0% increase in Telecomm and Video Utility Franchise tax
 - A 33.3% increase in ABC revenues
- **Inspection fee revenue (\$5.5M)** moved to the newly created **Inspection Special Revenue** fund.
- A **22.1% increase** in **planning fee** revenues primarily due to increased fees.
- This budget **appropriates \$7 million** from fund balance which is a **118.6% increase** from FY15-16.
- Due to the substantial savings in Fiscal Year 2015-16, the City is poised to have a **28.4% general fund reserves** to safeguard against economic uncertainty or emergency conditions.

Property Taxes

The **proposed property tax rate is 56.07** cents per \$100 of assessed value.

The tax rate is allocated as follows:

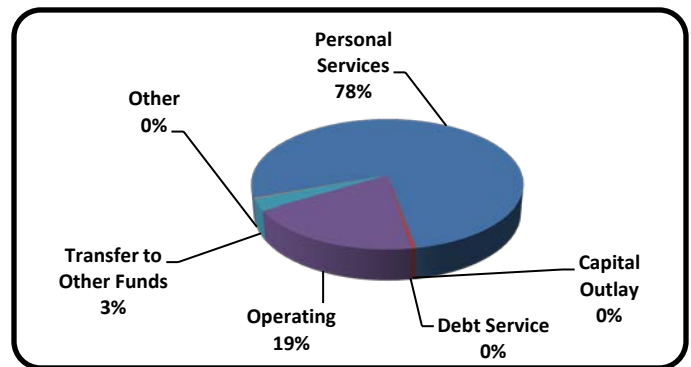
- **31.81 cents per \$100 for General Fund operations**
 - Revenue neutral would be 32.57
 - Decrease of 0.75 cents per \$100 (offset with higher indirect costs from Solid Waste Fund)
 - Decrease of 0.55 cents per \$100 shifted to the Transit Fund to begin addressing that fund's negative fund balance
 - Increase of 0.50 cents per \$100 for 20 new sworn Police FTEs
 - Increase of 0.04 cents per \$100 to keep park and trail maintenance funded at a ½ penny
- **13.02 cents per \$100 for Debt and Capital Projects**
 - Revenue neutral would be 11.98
- **6.13 cents per \$100 for Solid Waste**
 - Revenue neutral would be 5.38
 - Increase of 0.75 cents per \$100 as noted under General Fund to offset increased indirect costs.
- **4.11 cents per \$100 for Transit**
 - Revenue neutral would be 3.56
 - Increased by 0.55 cents per \$100 as noted under General Fund to address negative fund balance
- **1.0 cent per \$100 for Dedicated Housing Fund**
 - Revenue neutral would be 0.92

A tax rate of **56.07 per \$100 assessed value generates a tax bill of \$1,005 on a house valued at \$179,300** which is the median house value for the City of Durham according to the Durham County Office of Tax Administration.

Expenditures

(budget-to-budget)

- **Personnel** expenditures increased by \$6.19 million (4.6%).
- **Operating** expenditures increased by \$2.36 million (7.4%)
- **Transfers** increased by approximately \$214,000 (4.4%).



WATER AND SEWER FUND

The **Water and Sewer Fund** budget of **\$94.1 million** adequately supports water and sewer operations and increased infrastructure debt service costs, a \$5.4 million increase over last year.

Revenues

Moderate increases for water and sewer volume charges and service charges are budgeted for FY2016-17. The total rate increase to **the average customer is about 2.8%**. Rate changes are proposed to become effective July 1, 2016, with implementation in the August and September billings.

	FY 16 Rates	FY 17 Rates
<u>Monthly Water Rates</u>		
Service Charge	\$ 6.72	\$ 6.92
Volume Charge - Tiered Rates (per 100 cubic foot - ccf)		
Tier 1 (0 - 2 ccf)	\$ 1.81	\$ 1.88
Tier 2 (>2 - 5 ccf)	\$ 2.73	\$ 2.83
Tier 3 (>5 - 8 ccf)	\$ 2.99	\$ 3.10
Tier 4 (>8 - 15 ccf)	\$ 3.90	\$ 4.06
Tier 5 (>15 ccf)	\$ 5.85	\$ 6.07
<u>Monthly Sewer Rates</u>		
Service Charge	\$ 7.49	\$ 7.69
Volume Charge (per ccf)	\$ 3.99	\$ 4.07

These rate changes and increases in consumption account for the increase in water and sewer user revenues over the FY2015-16 budget. Overall Water and Sewer Fund revenues are budgeted to increase 6.1%.

Expenditures

Water and wastewater Capital Improvement Program (CIP) projects total **\$143.5 million to improve the infrastructure** required to ensure adequate water supply, treatment and delivery for FY2016-17. A \$22 million transfer to the CIP is planned for FY2016-17, about \$3 million more than the amount transferred in FY2015-16

HIGHLIGHTS OF THE FY2016-17 BUDGET

As stated earlier, the City aligns all of its activities with the citywide Strategic Plan goals (1) Strong and Diverse Economy (2) Safe and Secure Community (3) Thriving, Livable Neighborhoods (4) Innovative and High-Performing Organization and (5) Stewardship of City's Physical and Environmental Assets.

INNOVATIVE AND HIGH-PERFORMING ORGANIZATION – Provide professional management that encourages a culture of innovation, collaboration, and transparency to deliver quality services through an exceptional, diverse and engaged workforce.

Strategic Plan

- **The City's FY 2016-2018 Strategic Plan was adopted by City Council on June 15th, 2015.** During the update process goals, objectives, outcome measures, initiatives and key priorities were all assessed, with new measures and initiatives added. An important component of the Strategic Plan is **engagement of residents, stakeholders and City Staff** in an effort to understand their **vision of the five strategic plan goals** and their **ideas for specific projects and activities**. Engagement events are being planned for FY 2016-2017 to inform residents of the current plan and to also begin asking about ideas for the next update.
- The Strategic Plan's new outcome measures, objectives, intermediate measures, and initiatives were reported for the first time during FY 2015-2016 at www.DurhamNC.gov/StrategicPlan. During FY 2015-2016, a majority of the current initiatives are meeting or exceeding target. In addition, **16 of the 80 initiatives have been completed**. The organization has made much progress during the first fiscal year of the new plan but an emphasis on implementation is needed to continue this momentum.



Foster a Culture of Innovation

During FY 2016 the City has been a part of Alliance for Innovation's "*Innovation Academy*." A team of 12 employees have been learning the key components of innovation in local government from experts from around the country. Two strategies will be implemented during FY 2017 to encourage a culture of innovation:

- Innovation Academy team will transition into an internal innovation team to help drive innovation at all levels of the organization.
- Funding of \$10,000 is proposed in this budget for an Innovation Fund that will support prototyping of good ideas received from employees through an idea starter with the goal of improving operations and customer service.

Employee Development

The Employee Satisfaction Survey, Technology Solutions Survey and Strategic Training Needs Analysis have all indicated a desire among our employees for more professional development opportunities. In order to provide increased development options for all City of Durham employees **this budget includes funding for a new learning management system (LMS)**. This **LMS system will facilitate more strategic investment of our training dollars and better management of our training** resources. In addition to providing substantially more diverse development options, the new **LMS** will enable us to:

- Provide a consistent platform for management and supervisor training
- Support on-demand and just-in-time blended learning options
- Move compliance training from classroom based to computer based and on demand

- Disseminate best practices and lessons learned enabling us to replicate top performance
- Increase understanding of City of Durham (and technical support function) policies/procedures
- Promote a common language enterprise-wide

Leadership Development:

In Fiscal Year 2014-15 the City established a new **Executive Leadership Academy** (ELA) for Directors. This budget includes funding to expand that program to Assistant Directors and to focus on a full strategic approach for aligning the leadership development strategies, programs and effective methods to target the leadership skills needed to lead the City. The Leadership Academy (LA) for the Assistant Directors will include a curriculum of workshops and experiences designed to cultivate leadership skills and competency enhancement.

The curriculum will include sessions, e.g., The 4 Disciplines of Execution, Mindset, Crucial Conversations, The Speed of Trust, etc. Leadership Development will also enable us:

- To create shared learning outcomes that focuses on a strategy to assist with dialogued with internal and external Executives. The outcomes will also assist with the analysis of key feedback, e.g., the Employee Satisfaction Survey, Performance Management Feedback and 360 Feedback.
- To ask each leader to complete an individual development plan with actionable deliverables that aligns with their 360 Feedback. This may potentially lead to the creation of additional leadership curricula.
- To expand the Leadership Development Offerings and Training Programs for all levels within the Organization, e.g., the emerging leaders, supervisors, and managers.

Employee Compensation and Benefits

- **One of the objectives of the Strategic Plan, Goal 4: Innovative and High Performing Organization is to establish an exceptional, diverse, healthy and engaged workforce.** Our focus has been on greater analysis of benefits plan design, claims trends, and medical costs to ensure that health care costs are managed to the greatest extent possible. **This is a \$33 million fund insuring over 5,300 people.** The Administration collaborated with the insurance broker to assist in identifying ways to reduce the cost of health insurance while continuing to provide a quality insurance plan for its employees. **As a result, in addition to the Core and Basic Plans, we have introduced a new medical plan, Blue Local, which is designed to save both employees and the City on the cost of claims through deep discounts.** The Blue Local plan includes Duke and Wake Med physicians and is the most affordable plan; employee-only coverage is free for employees. Approximately 70% of the City's claims are attributed to providers in the Blue Local network. Through open enrollment, approximately 50% of our employees/retirees selected Blue Local. **Health insurance premiums are projected to increase by 10% for Core and Basic plans, with no rate changes for Dental insurance premiums for FY2016-17. The City is also offering employees discounted Fitbits to help them make strides toward better health.**
- Funding is provided to support a **budgeted average general employee and fire employee pay increase of 4.0%** and to support a **budgeted average police employee pay increase of 4.5%.**
- The City's contribution to the employee **401K** provides additional retirement savings for employees. This budget proposes to retain the rate at **5.0% of eligible employees' salary.** State statute requires local governments to contribute 5% for sworn law enforcement officers.
- In accordance with State Statute, the retirement rate for general employees is increasing from **6.67% to 7.25%.** Law enforcement officers will also see an increase from **7.15% to 8%** for the **Local Government Employees Retirement System (LGERS).**

Technology

- The City and County will continue their partnership on **the shared Open Data project**, which will support both jurisdictions' goal to use technology to foster open, transparent, accessible, and collaborative government by sharing data freely. Funding is included for the Open Data portal and an employee to support ongoing operations.
- Funding is included for a network security contract, which will protect the **stability of the City's network infrastructure and ensure security of the City's information technology infrastructure.**
- The City of Durham will expand the capacity of network infrastructure to support the technology needs for police body cameras.
- Funding is included to upgrade Granicus, which will **enable residents to view work sessions and City Council Meetings on mobile devices.**
- One time funding is included to implement a **Strategic Training Software Plan** for all city employees.
- One time funding was included in the FY 16 Budget for a Performance **Management System software** package. Following a lengthy review process, a vendor recommendation will go before the City Council in early June and if approved, the City will be moving forward with a new system in FY 17. This tool will be a more **comprehensive approach that links budget, performance measures, and strategic planning efforts** all together so that managerial decisions can be made using a wide range of data. The software selected will report progress made on the citywide measures and initiatives, providing a **snapshot of performance to our residents** as well as provide a better tool for staff to use data to make better informed decisions.

An update of the **General Fund multi-year financial plan** was completed in November 2015. It provided information to clearly identify the gap faced at the beginning of the budget development process. This is a crucial component of planning for the future as this plan projects the financial impact of achieving the objectives in the Strategic Plan.

Employee Satisfaction Survey

The City's biennial Employee Satisfaction Survey was last conducted in early 2015 with an overall participation rate of 79% in Part I-General Survey and 77% in Part II-Direct Supervisor (70% participation rate is excellent—80% is Best in Class). The City undertook a comprehensive action planning process to give employees and leaders in each department an opportunity to review the results and offer ideas for improvement. These ideas were then incorporated into department-specific action plans, implemented in September 2015. Department directors will continue to provide city management with quarterly updates on their action plans through 2016. City management also committed to address citywide employee concerns with the "We're Listening" campaign. This effort has focused on enhancing internal communication, improving the visibility of city management to employees, communicating clearly about compensation decisions, and promoting professional development opportunities for all employees. The next employee survey is planned for spring 2017.

Resident Satisfaction Survey

The City's **Resident Satisfaction Survey** was completed in January 2016. Starting in 1999, the City of Durham has conducted **a total of eight biennial resident satisfaction surveys.** The survey results help the City determine priorities for the community as a part of the Strategic Plan and the ongoing budget planning process. 84% of residents rated the City as an excellent or good place to live and work, while 81% were satisfied with the overall quality of life in their neighborhood. The three highest priorities shared for the next two years were overall maintenance of streets, flow of traffic, and quality of police protection. FY 2016-2017 will be the

first year of an annual survey. The next resident Satisfaction Survey will be conducted November, 2016.

Durham First – Culture of Service

The Durham First and Culture of Service Teams are focused on serving three areas; self, co-workers and community. The Durham First Steering Team aligns its programs and initiatives to the *Organizational Excellence Model*, with a current focus on Employee On-boarding, Employee Engagement, Employee Recognition and Appreciation, and Leadership and Employee Development. In 2016-17, the desire is to expand the focus to



other areas of the Organizational Excellence Model, e.g., Talent Acquisition,

Performance Management, Career Management, and Succession Planning. The Durham First Steering and Culture of Service Strategy Teams will continue to support the Organizational Development initiatives and programs across the Organization and drive some of the Employee Satisfaction Survey initiatives, as identified.

Communications

- Durham One Call will implement **Virtual Hold Technology**, to improve service during peak call times by offering callers a choice of holding until the next available representative, or leaving a message and indicating the best time for a return call.

Accountability - The City continues to maintain its excellent fiscal standing evidenced by:

- A continuing **AAA bond rating** by all three rating agencies, the highest measure of financial security and one attained by only 36 of the nation's more than 22,500 cities;
- **Unqualified opinions by independent auditors** of the City's financial statements and compliance with major federal and state grants;
- A **strong Audit Services department**, ensuring compliance with applicable laws, policies and procedures, and operating an anonymous tip Hotline. The department has investigated 41 allegations over the past 2 years and also trained 100% of City employees on mandatory ethics training as a part of the Department's Fraud Prevention Awareness Program.
- Continued effort to develop meaningful **performance measures** for all programs and services to communicate the return on the taxpayer's investment. These measures also help us to continually improve as an organization by monitoring progress towards stated goals.

Awards and Recognitions – The City continues to be recognized for its best practices. In 2015 The **International City/County Management Association (ICMA)** again recognized the City of Durham with the **Certificate of Excellence** from the ICMA Center for Performance Measurement, for superior performance management along with leadership in continuous improvement and community engagement. Durham is one of only 33 jurisdictions in the United States to receive this honor and the only one in North Carolina.



- The City of Durham ranked 17th place for having **the Best Managed Government Fleet in the nation** by 100 Best Government Fleets.
- The City of Durham ranked 8th **Digital City in the United States** among cities with a population of 250,000 or more, by the Center for Digital Government.
- **N.C. Association of Government Information Officers (NCAGIO) Excellence in Communications Award – First Place in Broadcast Programs** for “The Future’s So Bright...We Gotta Wear Shades” presentation prepared by the Office of Public Affairs.

- **The National Association of Town Watch** ranked Durham 11th among cities with a population of 100,000 to 300,000 for the City's observance of **National Night Out**. Cities were evaluated on their overall National Night Out campaign, neighborhood participation, law enforcement involvement, media and promotional campaigns, and special events.
- The Government Finance Officers Association (GFOA) presented the **Distinguished Budget Presentation Award** to the City's Budget and Management Services department for its 2015-2016 fiscal year annual budget. The GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting and more than 1,424 entries were submitted for this award.
- Durham was recognized by the **National Community Development Association (NCDA)** with a **2016 Audrey Nelson award** for its partnership to help homeless veterans. This year's award highlights the **Denson Apartments for Veterans**, the first permanent supportive housing in Durham for veterans who are homeless and have disabilities. Located at 1598 Sedgefield Street, the first phase included 11 apartments with rent set at 30 percent of the tenant's income and includes all utilities. The project was developed by CASA in partnership with the City of Durham Community Development Department, The Home Depot Foundation, U.S. Department of Housing and Urban Development and the North Carolina Housing Finance Agency (NCHFA), with construction financing from the State Employees Credit Union.
- The City's **Community Development Department** accepted their **2015 Housing North Carolina Awards from the North Carolina Housing Finance Agency**, which honored the **Bungalows at Southside project** for its affordability, design, sustainability, community contribution, resident services, and creative partnerships.
- The Purchasing Division received the 13th consecutive **Sustained Professional Purchasing Award (SPPA)** for 2015. The SPPA is the highest award a purchasing department or division can obtain within the Carolinas Association of Governmental Purchasing (CAGP). The award recognizes sustained excellence in purchasing standards during the previous calendar year. The criteria for the award include the use of technology, minority outreach, staff certification, customer training, vendor training, and the use of recycled products.
- The City's Comprehensive Annual Financial Report (CAFR) for Fiscal year 2014-15 was recognized by the **Government Finance Officers Association (GFOA)** with the **Certificate of Achievement for Excellence in Financial Reporting** (the GFOA's highest form of recognition in the area of government accounting and financial reporting). Durham is one of only two Municipalities in North Carolina to win this honor.
- The **Government Finance Officers Association (GFOA)** recognized the City's Citizen Financial report for **outstanding achievement in popular Annual Financial Reporting**. The City of Durham is the only North Carolina Municipality to hold all three National awards from the Government Financial Officers Association.

SAFE AND SECURE COMMUNITY – provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality of the City by helping the community enjoy a strong sense of personal safety.

Public Safety Services - Crime continues to be a concern of most residents. Feeling safe, lowering the crime rate and building community policing continue to be important issues voiced by the Council and Durham residents during the "Coffee with Council" and other public input meetings. Ensuring that the Police department, Fire department and Emergency Communications Center (911) are staffed and properly equipped to protect our citizens continues to be a high priority in the FY2016-17 budget.

- Funding is included in the Police Department's budget for an additional **20 sworn officers** to include a **Community Liaison Officer** dedicated to census tract 10.01.

- One time funding is included to begin implementation of a **Take Home Car Program** to encourage city residency and provide increased police presence within the community.
- Funding is included in the Fire Department's budget for **two Fire Inspector positions** to improve the percent of occupancies inspected in accordance with the NC Fire Code.
- One time funding is included to install **Knox Box Key Security Systems** on fire apparatuses providing a secure means of maintaining master knox box keys for over **1,000 businesses** inside the City of Durham with Knox Boxes mounted on their buildings.
- One time funding is included in the Emergency Communication Department's budget for **Diagnostic Software** for radio improvements.
- Funding is included to support contracts with the Administrative Office of the Courts (AOC) for a **Domestic Violence Judge, Domestic Violence Assistant District Attorney, Witness/Victim Legal Assistant, and Gang Assistant District Attorney.**
- Funding is included for the joint City/County **Gang Reduction Strategy** initiative, and will increase **Bi-lingual Outreach Strategies with Project BUILD.** The City contributes 50% for this initiative.
- The Transportation department has various functional activities that support Crime Prevention. Funding is included to maintain existing lighting and provide additional lighting in both residential and thoroughfare areas.

THRIVING AND LIVABLE NEIGHBORHOODS – strengthen the foundation, enhance the value and improve the quality and sustainability of neighborhoods.

Housing and Code Enforcement - Vacant and boarded properties continue to affect many neighborhoods in the community and are tied to property value decline and increases in crime.

- The **Code Enforcement** division will continue to focus on compelling property owners to remediate code violations. In support of this effort Code Enforcement Officers (CEOs) will enact a community-centered approach to enforcement which includes targeted education and engagement of property owners and residents. CEOs will “knock and talk” to residents about city codes and ordinances to increase understanding of requirements and to foster self-regulation and compliance. This direct education and engagement will take place in areas having high evidence of non-compliance and blight.
- In addition to education and direct engagement, the CEOs will continue to conduct proactive inspection of rental property (PRIP) and focus on reducing the number of boarded residential structures in the community.
- Neighborhood Improvement Services will continue to **enforce compliance** at substandard properties, **remediate unsafe houses, clean up weedy lots and remove graffiti and abandoned vehicles** from neighborhoods.

Community Engagement – Connect residents and City staff to promote active participation in government decision making processes.

- **Neighborhood Grants** - This initiative will provide an opportunity to fund projects planned and implemented by residents that will improve the livability of neighborhoods. Through a competitive process, mini-grants up to \$2,500 will be awarded to neighborhood groups that develop projects designed to improve neighborhood appearance; build neighborhood pride; educate and train; or promote public safety. The mini-grants will require a match that can be provided through volunteer labor, professional services, material donations, and/or cash. This program incorporates and builds upon the success of the **Bull City Playstreets Mini-Grant** program which has been instrumental in expanding community engagement and outreach.
- **Neighbor Spotlight** - This initiative will give Durham residents the opportunity to nominate their fellow residents to be recognized for the work and contributions that they

make to the community. Each month a nominee will be selected to be featured in a variety of media to highlight accomplishments and the positive impact they are making in Durham. Additionally, they will be recognized by the Mayor and City Council at a regular meeting.

- **City Hall on the Go!** - This initiative aims to encourage and enhance overall transparency and local government-community relations through the reuse of the Police Department's criminal investigation command unit vehicle. As a response to resident requests and concerns the "City Hall on the Go!" unit is a unique platform for interdepartmental collaboration and public awareness of City programs and services, important meetings and community events. Proactively it will also provide "on the street" direct communication opportunities and increase trust between City of Durham Police and Durham residents.

Targeting Distressed Neighborhoods – Staff continues to take a holistic approach to improve Durham's most distressed neighborhoods.

- Funding the **Dedicated Housing Fund** with 1 cent (per \$100 assessed value) of the property tax rate to address housing needs.
- In FY2016-17, Community Development will focus on the implementation plan designed around **Neighborhood Revitalization/Affordable Housing** priorities, strategies and options recommended by Enterprise Community Partners, Inc.
- The **Lofts at Southside, Phase II** will begin construction of 85 apartments, with **68% of units being designated as affordable housing**.
- In support of the City's strategic initiative to address livable neighborhoods, **Community Development** will complete **139 affordable rental units** for seniors in the Whitted School and Vermillion project, respectively.
- During FY2016-17, **the sale of 48 homeownership units** will be complete in Southside, with the majority of homeowners being low to moderate income households.
- **Mayor's Poverty Reduction Initiative** - A staff member will be dedicated to provide full-time support to the Mayor and the six Task Forces that have been created to reduce the level of poverty for residents living in census tract 10.01 in Northeast Central Durham. Staff will be charged with increasing the level of community and supportive services provided; improving and strengthening the neighborhood; and providing increased job opportunities for residents. Additionally, staff will provide day to day management and oversight and will keep the community and other stakeholders informed and engaged.

Parks and Recreation

- A total of **\$4.23 million** is being dedicated for **Parks & Recreation Capital Improvement projects** (CIP) through debt service and pay-go funding. Projects included in the funding are: Aquatic upgrades, Bryant Bridge South Trail, Duke Beltline Trail acquisition, and Campus Hills Recreation Center Roof replacement.
- A **trails condition assessment** has been funded in the **amount of \$60,000** to develop a **management plan for the 33 miles of existing trail**. This plan will evaluate the trails and develop a schedule of maintenance and repair.
- The **Dedicated Park and Trail Maintenance Funding** approved in FY15 continues to be used for operations, inspections, and deferred maintenance needs. So far multiple projects have been completed including paving driveways and parking lots, renovating park restrooms, repairing damaged fencing, and the many other amenities requiring attention in the parks.

Transportation and Public Works

- **The DurhamWalks! Plan** update is in process. **The Departments of Transportation and Public Works** are working jointly to not only get the plan updated, but plan for the

implementation as well. The updated plan will allow for better prioritization of **sidewalk**, and other **bicycle and pedestrian** related projects. A project website, www.durhambikewalkplan.com, has been created with links to an interactive mapping tool and online survey to help us solicit feedback on these gaps and priorities. The website also has more information on the plan process, timeline and project team.

- **Transit Services and GoDurham** (formerly Durham Area Transit Authority (DATA)) – The budget includes **4.11 cents per \$100 of the property tax rate** to provide continued funding to core transit services. Funding from the new ½ cent sales tax and \$7 motor vehicle fee enacted in 2013 for **Bus service improvements** helped to increase the frequency of bus services on overcrowded routes, and are funding new shelters and amenities. These revenue sources in the FY2016-17 budget provide funding for needs identified in the **Bus and Rail Investment Plan** and the **Designing Better Bus Service Plan** and include **a new commuter route from the Woodcroft area to the Duke / VA Hospital area. Fare free transit service on the Bull City Connector** continues providing fast, frequent fare free transit service between Duke Hospital, Downtown and Golden Belt. This service is provided in partnership with Duke University. Efforts continue to develop and implement a **regional plan for transit**, including but not limited to integration of light rail, commuter rail, high speed rail and bus following a successful referendum in Durham in November 2011 for a ½ cent sales tax to support transit service improvements.
- In the **Parking** Division of the Transportation Department, a formerly frozen position in the Traffic Operations Division is being re-purposed to work in Parking. This position will be responsible for project management, technology, and maintenance issues. A **new downtown garage** is in the planning stages as the current garages are near capacity. An initiative to implement **paid on street parking** to encourage parking turnover and help downtown businesses will take place this coming fiscal year. The division is also working on bringing **security enhancements** to the current garages, and perform necessary maintenance and repairs.
- **Two new development review employees have been added to Public Works** due to the upturn in development, additional rules to regulate, and the City's desire to better support the development community with faster reviews

Solid Waste Services

- **6.13 cents** per \$100 assessed value of the tax rate is proposed to be dedicated to the **Solid Waste Fund**.
- Solid Waste Management conducted a **Waste Characterization Study** in FY 2015-16. The report analyzed what is contained in waste streams, and provided recommendations to strategically address waste diversion and reduction efforts in the future. The study is being evaluated, and proposals will likely come forward in the FY 2017-18 budget process.
- Beginning in FY 2016-17, to address the explosive growth downtown, Solid Waste Management will be **replacing downtown dumpsters with compactors**. This project is proposed to be funded by the Business Improvement District. There will be aesthetic benefits, as well as fewer collection trips required.

Youth Programs – A continuing priority to engage youth participation through city departments and the support of local non-profits by providing year-round positive activities. The following points highlight activities for youth, teens and others:

- Parks and Recreation will continue to **offer youth care programs (Afterschool, Summer Camp, Intersession camps, and Fun Days)** offered throughout seven City Recreation Centers (Irwin R. Holmes, Sr. Recreation Center, Edison Johnson Recreation Center, Weaver Street Recreation Center, Walltown Park Recreation Center, W. D. Hill Recreation Center, East Durham Recreation Center, and the W. I. Patterson Recreation

- Center), two shared-use sites (Holton Career and Resource Center and Community Family Life and Recreation Center at Lyon Park), and one outdoor park (West Point on the Eno).
- Parks and Recreation will continue **youth and family-oriented athletic services**. For example, Jr. NBA/Jr. WNBA and other youth basketball programs provide opportunities for nearly 600 youth. The Durham Girls Soccer League provides soccer programming for just over 400 youth. **Outdoor recreation program offerings** include: low ropes course programs at Spruce Pine Lodge, high ropes Discovery course programs at Bethesda Park, the adventure outings (kayaking, canoeing, etc.), community campouts, and community campfire programs.

Arts and Culture – Durham's arts and culture is enriched by its history, heritage, and diversity. Thoughtful investment in arts and culture initiatives also generate significant economic benefits for cities.

- The City will continue its management agreements with the **Carolina Theatre**, the **Durham Arts Council** and **St. Joseph's Historic Foundation** for \$654,050, \$667,362 and \$292,000 respectively. In addition, funding is included to support the continuation of **public art** facilitated through the City's **Public Art Policy**.
- Funding, in the amount of **\$45,400**, has been allocated for the return of the **Annual Durham Holiday Parade**. The last Holiday Parade occurred in 2009. It is expected that this long-standing tradition **will be a positive, safe, family-friendly and entertaining event to promote pride in our community**.

A STRONG AND DIVERSE ECONOMY – maintain and grow a strong and diverse economy through a variety of business, industrial and employment opportunities to benefit the entire Durham community.

Downtown Revitalization and Parrish Street - The Office of Economic and Workforce Development (OEWD) will continue efforts to engage business interests in neighborhood Revitalization, Downtown Development and development in other targeted strategic areas will continue to be pursued under the guise of the City-County Joint Economic Development Strategic Plan.

- This budget allocates **\$137,467 for Downtown Revitalization** to provide grants, incentives, professional services and special event-related costs to build economic strength in the expanded Downtown Tier.
- This budget allocates **\$103,469 in Parrish Street** funds for Building Improvement Grants, Retail, Service and Professional Grants, Historic Parrish Street Forum operating expenses and associated educational programming to further preserve the history, highlight the unique character, and promote the future of Parrish Street.

Joint City/County Planning Department

- Funding is included for **five (5) positions** in support of a new **Development Services Center** that will create a business friendly environment that will provide a time-sensitive, easy-to-navigate development review process which facilitates continuous process improvement.

Job Preparation and Placement - The Office of Economic and Workforce Development (OEWD) will continue to provide services based upon the Durham Workforce Development Board FY2015-2017 Strategic Plan delivered through the NCWorks Career Center System to connect Durham businesses with local talent.

- OEWD will continue to **provide high quality services to businesses** in conjunction with partnerships with the Greater Durham Chamber of Commerce, Durham Technical

Community College, North Carolina Central University, Duke University and Healthcare System, Downtown Durham, Inc. and the City's Office of Equal Opportunity and Equity Assurance. The department will continue to work with other government and non-profit partners to provide resources related to the **recruitment, startup, expansion and retention of local businesses**.

- OEWD will continue with **state-mandated integrated service delivery** to help improve customer service and create a seamless delivery system to assist jobseekers with the services they need and help connect businesses to qualified workers. This will be achieved through the NCWorks Career Center System which focuses on **preparation, training, placement and retention of Durham residents** in career opportunities, especially those in high growth industries.
- **NCWorks Career and Job Link Center** will be **consolidated** and **relocated** from Briggs Avenue **to the former Lakewood Shopping Center**. This initiative will provide the opportunity to **revitalize a neighborhood** in a transformative way and provide **residents a more accessible location to meet their job search needs**. With this consolidation, it is anticipated that the **Northgate location will close** during the upcoming fiscal year.
- **Made in Durham** requested **\$100,000 of funding** from Durham Public Schools, Durham County, and the City of Durham with the remaining balance to be raised by the private sector. **The City has funded this effort for the prior two years**; with the focus of this work centered around providing a comprehensive education and training system that prepares youth to attain successful employment opportunities in the Triangle region.

Youth Employment Opportunities

- City, County and Durham Public Schools Departments, as well as private sector for-profit businesses and not-for-profit agencies will continue to hire youth for year round jobs through **Durham YouthWork Internship Program**, a partnership between the City of Durham, Durham County, Durham Public Schools, the NCWorks Career Center System, Durham Workforce Development Board, and private sector businesses.
- A pending **interlocal agreement** with **Durham Public Schools** will provide \$75,000 to place up to 50 students in summer work opportunities related to their **Career and Technical Education** goals. Students must be considered low-income to be eligible.
- Parks and Recreation provides a **free aquatic school** to train teens to attain lifeguard certifications, **leading to potential employment with the department**.
- **Job skills trainings** (Safe Sitter, Job Readiness Programs) are offered for teens at many recreation centers. **Campus tours** offer teens an opportunity to visit and learn about programs at local colleges.

STEWARDSHIP OF CITY'S PHYSICAL AND ENVIRONMENTAL ASSETS – thoughtful planning and operations that ensure the long-term viability of the City's infrastructure, facilities, and environment.

Facility and Asset Maintenance

- The department of **General Services** received **\$45,000** to have a consultant conduct a **targeted street tree inventory assessment**. This inventory will assist the City in **establishing how many, and the condition and risk of the willow oak trees** in the area of study.
- The budget also includes funding for **one new construction project manager** in the General Services department. The main **focus** of this individual will be to **work on park and trail projects** that are funded through the dedicated funding for park maintenance.

- Two Public Works maintenance positions have been reclassified to **Engineering Inspectors** to support the growing demand for issuing permits and the inspection of private utility installation, which will **identify infrastructure damage and hold utility providers accountable for repair.**
- Public Works will have a **consultant conduct an inventory and assessment of stormwater infrastructure located in parks, cemeteries, and trails** to determine CIP needs and to prepare for **absorbing responsibility over stormwater infrastructure** in these locations.
- **AT&T and Google are installing high speed fiber networks throughout the City** which will provide internet speeds up to 100 times faster than current connections. Public Works will continue to **contract services for the permitting, utility location, and construction inspection** associated with the installation of high speed fiber networks.

Protecting the Environment - The City maintains an enhanced focus on sustainability to reduce greenhouse gas emissions and protect our environment.

- The City will transform the way it measures and analyzes energy and water use in its buildings to improve efficiency and save tax payer dollars.
- The City will establish a set of standardized sustainability metrics to track progress towards goals and benchmark against peers using the STAR Community Index's "lite" of their indicators. This program includes 21 sustainability indicators.
- The Stormwater Fund has added a position to implement the projects identified in watershed plans **to ensure compliance with Stage 1 of the Falls Lake Existing Development requirements.**
- Through the Duke Energy small business lighting retrofit program, Duke Energy pays up to 80% of the cost of material and installation of lighting retrofit projects for our smaller buildings. The payback through Energy savings is typically less than two years and a choice of LED or other upgraded lights is offered by Duke Energy. The City has already used this program at Maplewood Cemetery and DPR on Cleveland Street.

Capital Improvement Program (CIP)

The **FY2017-2022 Capital Improvement Program (CIP)** is presented to the City Council in a companion document to the FY2016-17 annual budget. The capital improvement budget **includes \$173.9 million for new projects and to complete existing projects.** Funding is provided through Water and Sewer revenues and revenue bonds, General Fund financings, pay-as-go funding, Parking and Stormwater fees.

Funding is proposed for **\$9.9 million in General Fund capital projects** for projects that were deemed a priority and essential to the City's capital infrastructure needs. The remaining **\$164 million of CIP funding was dedicated to Water and Sewer and Stormwater**, and other enterprise projects. The City is committed to providing complete and ongoing communications to citizens and the City Council about the progress of all projects. To monitor the status of any capital project, citizens can visit our website at <http://durhamnc.gov/1537/CIP-Listings-View>.

The FY2016-17 budget includes 13.02 cents per \$100 tax for debt and capital projects, to continue to fund capital and infrastructure needs.

The CIP budget includes:

- **General Capital Projects:**
 - \$0.30 million for Citywide Security Upgrades, Ph. II (address security issues at Fleet, Solid Waste, GS, DPR and PWOC)
 - \$0.91 million for Aquatic Updates (address dehumidifier repairs Edison Johnson and Campus Hills pools)

- \$2.5 million for Duke Beltline Trail (address land acquisition)
- \$0.56 million for Kelly Bryant Bridge South Trail (address land acquisition and design)
- \$0.25 million for Campus Hills Recreation Center (address Roof replacement)
- \$2.0 million for Public Safety Radio Replacements
- \$0.02 million for Public Art
- \$0.10 million for Dirt Petition Street paving
- \$2.0 million for DurhamWalks Plan (new sidewalk design only)
- \$0.51 million for sidewalk repair (citywide sidewalks and curb/gutter repairs)
- \$0.51 million for Bridge Repair projects
- \$0.30 million for Miscellaneous Thoroughfares (installation of pedestrian signals at various intersections)
- **Parking Fund Projects:**
 - \$1.8 million for On-Street Parking
 - \$1.0 million for Off-Street Parking
 - \$1.2 million for Elevator modifications
 - \$2.5 million for new Downtown Parking Garage (design only)
 - \$0.50 million for Parking Security Upgrades/Enhancements
- **Stormwater Projects:**
 - \$2.5 million to address flood plain management, drainage repairs, retrofits and major stormwater infrastructure.
- **Water and Sewer Projects:**
 - \$143.5 million for water and sewer improvements including water and sewer rehabilitation, distribution, water residuals, and construction.
- **Fleet:**
 - \$8.0 million for General Fund, Solid Waste, Stormwater and Water Management fleet vehicles.
- **Street Maintenance:**
 - **\$3,000,000** to address annual **ongoing maintenance of streets and sidewalks**. The allocation was increased by \$1,000,000 from the previous fiscal year.

Other capital needs will be met in the operating budget:

- **\$700,000** for **deferred maintenance** to continue to address needs outside of the CIP. All deferred maintenance projects have been prioritized and funding will be applied in priority order.

CONCLUSION

The FY 17 budget includes much for which our Durham community can be proud; Durham's improved economy, the quality of services, continued excellent and responsive fire and emergency response services, the ongoing investment in parks and trails, and substantial improvements in street and sidewalk infrastructure. With the reappraisal of real property, we now have affirmation that the investments made in Durham over the last decade have paid off. We now have an opportunity to re-invest those returns in the top priorities of the community such as police, streets and sidewalks. This

budget continues as well as enhances services that are community priorities with a level of fiscal responsibility consistent with previous City Council restraint.

The City still faces several challenges that will require a comprehensive, coordinated approach. One-fifth of Durham residents live in poverty and many of them are youth. An increasingly diverse population requires creative approaches to providing programs and services in order to effectively create an improved quality of life for all of Durham's residents, workforce and visitors. The surge in new development and economic activity must be balanced with environmental and neighborhood preservation. The City must be able to attract and retain a quality workforce that can meet the high service expectations of the community. And above all else, the City must maintain the fiscal discipline necessary to balance all of these complex needs.

"Alone we can do so little; together we can do so much" Helen Keller

Over the past several years, through the vision and leadership of the Mayor and City Council and the dedication of every City employee and our partners throughout the community, Durham has truly evolved into a city rich in opportunities and community resources. On a daily basis, through the myriad programs and services provided through the City, an environment in which the entire Durham community can live healthy, safe and secure lives is growing. Mayor Bell and the City Council have continually made the difficult decisions for the betterment of the entire community. With this resolve, it is imperative that we continue to solve current issues with forward thinking solutions to position the City and the community for a better future.

I look forward to working with the Mayor and City Council as we continue to address the fiscal challenges posed by an uncertainty in the General Assembly and approaching cost increases. My appreciation to the management team for their creativity and prudent administration, to all City employees who have continued to provide the best service possible with limited resources, and to all departments for all their good work in developing this budget. In closing, special recognition and thanks are provided to Budget and Management Services Director, Bertha Johnson and the entire Budget and Management Services staff as they have been at the forefront of not just the budget development process but also the continued execution of our Strategic Plan.

Durham is more than just a group of people who happen to live in the same city. We are a strong, proud, and thriving community of neighbors that share both challenges and successes. I too am a resident of Durham, this is my City and I am proud of where we've been and where we are going. The future can only get better as we continue to move forward together to make Durham the leading City in providing an excellent and sustainable quality of life for all to live, work and play.

Great things **are and will** continue to happen in Durham!

Respectfully Submitted,

A handwritten signature in blue ink, reading "Thomas J. Bonfield". The signature is fluid and cursive, with the first name "Thomas" being more prominent than the last name "Bonfield".

Thomas J. Bonfield
City Manager

CITY OF DURHAM GOALS & STRATEGIC PLAN FY 2016-2018

City of Durham employees work hard every day to provide the quality services that make Durham a great place to live, work, and play. The City of Durham has a strategic plan that serves as a road map pointing the organization from its firm foundation to become, the leading city in providing an excellent and sustainable quality of life.

At the June 15th, 2015 Council Meeting the Durham City Council adopted the FY 2016-2018 Strategic Plan for the City and five over-arching goals:

1. Strong and Diverse Economy
2. Safe and Secure Community
3. Thriving Livable Neighborhoods
4. Innovative and High Performing Organization
5. Stewardship of City's Physical and Environmental Assets

To achieve consistent and planned results, it is essential that all organizational efforts are pointed in the same direction. The strategic planning process involves City Council, the City Manager's Office, employees, residents and other stakeholders.

During the Strategic Plan update process in FY 2014-2015, goals, objectives, outcome measures, initiatives and the key priorities were all assessed with new measures and initiatives added along with some additional modifications. The Strategic Plan continues to serve as the framework for accomplishing these priorities. To ensure success, the organization has integrated the plan into annual budgets, daily operations, and organizational measurements in an effort to direct our financial resources and planning in almost every area of government.

To monitor the Strategic Plan, the performance dashboard allows residents to easily view progress made on specific citywide measures and initiatives, while also identifying potential trends. The performance dashboard is updated biannually with data displayed from the first six months of the fiscal year as well as year-end results.

In addition to citywide Strategic Plan monitoring, departments continue to create and implement department strategic plans. These plans align resources and provide ownership of citywide initiatives and long-term department goals. Of 24 departments, 21 currently have approved department strategic plans. It is anticipated that by the end of FY 2016-2017, all departments will have an approved plan.

The following strategic plan pages will provide a great starting place to explore and understand the City of Durham's vision. To learn more, visit <http://durhamnc.gov/183/Strategic-Plan> and dive into the performance dashboard to explore the organizations success factors.



Strategic Plan Update: FY 2016 - 2018

www.DurhamNC.gov/StrategicPlan



City of Durham: Five Goals, One Vision

City of Durham employees work hard every day to provide the quality services that make Durham a great place to live, work, and play. The City of Durham has a strategic plan that serves as a road map pointing the organization from its firm foundation to become, the leading city in providing an excellent and sustainable quality of life.

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Strong and Diverse Economy

Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities to benefit all Durham residents and businesses.



What Does Success Look Like?

- Shared, public-private strategic focus improves coordination and prioritization to build on current successes and grow the economy
- City and County's aligned goals create a more transparent and efficient system for planning and implementation of economic development strategies to address challenges facing Durham

GROWING ECONOMY TO BENEFIT ALL DURHAM RESIDENTS AND BUSINESSES

Durham recognizes that a shared, public-private strategic focus can improve coordination and prioritization to build on current successes and grow the economy to benefit all Durham residents and businesses. The City and County have worked together to align goals to create a more transparent and efficient system for the planning and implementation of economic development strategies.

Durham's economic transformation in the last 20 years has been tremendous and has been celebrated regionally, nationally and internationally. This ongoing revitalization — demonstrated in the reuse of old warehouses and factories into thriving spaces like American Tobacco and Golden Belt, the dynamic and wildly popular Durham Performing Arts Center, the rebirth of Main Street downtown, and corporate investment in Research Triangle Park, and much more — has been due to visionary leadership and thoughtful collaboration.

While this transformation has been astounding, areas of concern still exist. Unemployment, while below national and statewide averages, remains high among some populations, especially among youth and those with lower educational attainment. The City of Durham and Durham County are still struggling to replicate the transformation of the downtown district on a large scale in key neighborhood commercial corridors. Infrastructure in commercial corridors and residential neighborhoods needs to be improved to make it easier to do business and to create districts that will attract and retain talent and business. Leaders must ensure that existing businesses can benefit from Durham's growth, not simply out of fairness and equity, but also because the recirculation of local dollars stands to help all. However, we not only need to get the message out that Durham is the best place to do business and live, work, learn and play, but we also need to ensure that the products, services and overall climate behind that message lead to a high level of satisfaction within the business community.

Business Retention and Recruitment

- Coordinate strategies and plans of capacity-building agencies and consider how resources could be leveraged to foster small business and entrepreneurial opportunities
- Installation/development of amenities; Support appearance-related initiatives
- Ensure continuity and consistency of development standards and policies across jurisdictions
- Design incentive programs, policies and procedures around recruitment and retention of high growth industry clusters
- Continue to reinforce policy elements that include infrastructure as an incentive tool

Business-Friendly Environment

- Develop user friendly process maps to help guide residents and developers through their specific review process
- Study other development review models for best practices that further incorporate a more coordinated “one-stop-shop” approach
- Further explore and benchmark ombudsperson position in other jurisdictions to determine what efficiencies might be gained
- Determine feasibility of a joint City-County economic development organization



Talent Development and Recruitment



- Improve coordination and role clarity between various workforce development organizations in Durham
- Improve selection process for composition and operating procedures for the Workforce Development Board
- Develop “Strike Team” to proactively meet with new and current employers/sectors to access labor needs
- Develop and implement a communications plan that incorporates job placement success stories across the community



Safe and Secure Community

Provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality by helping the community enjoy a strong sense of personal safety.



What Does Success Look Like?

- There is a strong sense of trust between community members and public safety officials
- Community members feel educated, empowered, and supported by public safety entities in their efforts to enhance personal safety
- Public safety programs are clearly committed to preventing emergencies which compromise personal safety
- When emergencies arise, public safety officials are professional, efficient, and effective in their work to resolve the situation

A BOLD NEW DURHAM

Over the last decade, the landscape of Durham has changed dramatically. Our shops, businesses, and neighborhoods have grown-- as have our safety challenges. The city of Durham is fortunate enough to have crime rates in key areas below the targets set by the Durham Police Department. Additionally, crime clearance rates, a measure of how many crimes are solved, are quite high. The concept of personal safety has evolved with the population growth of our community. As a city, we are called to respond with a much more comprehensive plan to protect our neighbors from the consequences of crime, fire, and medical emergencies. Looking forward, our city also faces both financial and physical constraints that further inspire us to think in new ways about how to deliver exceptional public safety service.

Reduce the Occurrence and Severity of Crime

- Develop an online crime reporting solution
- Create unified intra-agency protocols to manage response to large scale incidents
- Develop a 3-5 year staffing plan for Police and 911 focused on operations and deployment
- Improve lab analysis, crime scene response, and evidence processing



Building Strong Community Trust and Awareness of Personal Safety

- Expand outreach to existing events to converse with residents about their safety needs
- Encourage two-way communication through semi-annual media forums
- Develop a customized approach to helping residents and neighborhoods improve personal safety efforts
- Increase awareness of public safety programs, resources, and methods
- Use video technology to record officer-resident interactions

Ensure High Survivability from Incidents of Fire, Medical, or Other Hazardous Emergencies



- Create a program that recruits, develops, and retains a diverse and talented workforce
- Provide safety training initiatives that allow residents easy access to the knowledge needed to improve personal safety
- Develop a 3-5 year staffing plan for Fire focused on operations and deployment
- Conduct Fire code enforcement system process improvement



Thriving, Livable Neighborhoods

Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods.



What Does Success Look Like?

- Expand engagement with neighborhoods to ensure citizens feel empowered to preserve or improve the quality of their neighborhoods building connections between people and programs
- Increase the variety of transportation choices available to Durham residents, in order to improve the access to and mobility of Durham neighborhoods
- Promote increased access to a diversity of housing options that are safe and affordable

DURHAM NEIGHBORHOODS IN TRANSITION

Durham has nearly doubled in size since 1990 and this growth has dramatically changed its neighborhoods. Many Durham neighborhoods have seen tremendous growth, improvement and reinvestment, while others have seen significant increases in poverty and disinvestment.

Neighborhoods are the building blocks of any city and research shows that many people connect with and feel that they have the power to improve their neighborhoods more than their City, County, State or even their nation. As such, the City must continually strive to engage neighborhoods and understand the partnerships, policies and program that they believe will protect or improve their neighborhoods.

As with cities nationwide, Durham is struggling to accommodate all of its residents in decent and affordable housing and to provide high quality transportation alternatives. These two issues were identified as top community concerns during the 2014 Strategic Plan survey and will serve as focus areas across Durham's neighborhoods.

Affordable and Safe Housing for All

- Complete an inventory of affordable housing opportunity sites
- Complete a strategy to ensure creation and/or preservation of affordable housing near planned light-rail stations
- Complete an action plan to respond to the 2015 Analysis of Impediments to Fair Housing Choice



Engaged and Empowered Neighborhoods

- Create multi-departmental engagement team to collectively evaluate top areas of concern for Durham neighborhoods and develop coordinated action plans to meet identified needs
- Conduct energy education programs in neighborhoods
- Update 3 year Community Engagement Plan
- Map Durham's open space and inform Durham neighborhoods of nearby open space and recreation facilities and programs

Strong Transportation Networks and Transportation Alternatives



- Implement the Mayor's Challenge to improve access to transportation networks and improve the safety of those networks
- Develop a model to implement complete streets in Design Districts, such as Downtown and Ninth Street
- Complete the Duke Beltline Master Plan



Innovative & High Performing Organization

Provide professional management that encourages a culture of innovation, collaboration, and transparency to deliver quality services through an exceptional workforce.

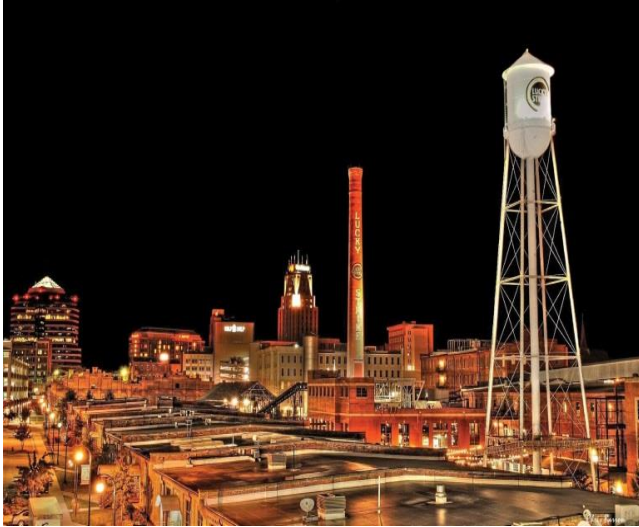


Photo by Chris Barron

What Does Success Look Like?

- Ensure Strong Financial Management
- Establish an exceptional, diverse, engaged, and healthy workforce
- Provide quality customer service
- Align resources with city priorities
- Use effective communication and transparency to engage the community
- Employ well-trained and accountable employees
- Create a culture where innovative and creative solutions are embraced

THE SPIRIT OF COLLABORATION AND INNOVATION

In an economic downturn that has left municipal budgets tight and the need for government services great, the interest in creative thinking about local problems is understandably intense. According to Government magazine, in just the past two years, the number of Google hits on the words "government innovation" has increased from 38 million to 1.4 billion as leaders and line staff at every level of government look for ways to do more with less. Urban centers, such as Durham, present a tremendous opportunity for innovations that improve quality of life for their residents. Forward-thinking public administrators should be leading the way, with innovative programs to address acute and chronic budget shortfalls while sustaining vital functions such as transportation, public safety and maintaining essential infrastructure. Resident demand for streamlined, efficient government continues to drive Durham leaders to seek out opportunities to deliver traditional services in non-traditional ways.

Promote Collaboration between Departments to Deliver Outstanding Service

- Promote increased use of Durham One call through education, promotions, etc. to streamline and enhance residents' experiences with the City departments
- Complete Customer Service Assessment and develop an implementation plan of approved recommendations
- Develop training to support internal collaboration
- Explore opportunities for partnerships to deliver programs and services

Foster a Culture of Innovation to Promote Operational Efficiencies



photo by Justin Cook

- Establish multidisciplinary City/County Innovation Lab to support the formation of transformational ideas into solutions
- Identify and Implement technology that supports the Performance Management System Citywide
- Identify best practices and opportunities for process improvement and automation across City departments in order to provide effective and efficient delivery of City services
- Develop internal innovation team to help drive innovation at all levels of the organization

Establish an Exceptional, Diverse, Engaged and Healthy Workforce

- Develop and deliver targeted wellness programs to improve employee health outcomes
- Develop and implement an executive leadership academy
- Develop a strategic workforce, training, and succession plan
- Develop an internal Employee Communication Strategy
- Develop a diversity recruitment plan



Promote Long-Term Financial Sustainability

- Develop a long term financial plan for infrastructure improvements and deferred maintenance
- Develop budget and reserve policies for all funds to improve the overall fiscal health of the City
- Implement Priority Based Budgeting to facilitate better alignment between services and resources

Empower the Community by Providing Accessible and Usable Data

- Implement City's new web page platform (Web 2.0)
- Launch joint City/County Open Data
- Use initial survey data to recommend future data sets
- Evaluate Communications Assessment and develop an implementation plan of approved recommendations
- Explore new ways to graphically represent data to better communicate to the community



Stewardship of City's Physical and Environmental Assets

Thoughtful planning and operations that ensure the long-term viability of the City's infrastructure, facilities and environment.



What Does Success Look Like?

- With business and residential development ongoing, there is clear direction for what new assets will be developed and how current assets are properly maintained to meet expected service level demands
- Limiting our environmental impact conserves and protects natural resources
- Stewardship of City's assets help foster a great place to live, work, and play through:
 - Clean water and environment
 - Sufficient roadway and parking network
 - Well-maintained buildings, parks, and open spaces

MEETING THE PHYSICAL NEEDS OF A GROWING CITY

From taking care of what we own, to planning for the future and everything in between, managing the physical needs of the City takes a lot of resources. It doesn't make sense to invest millions of taxpayer dollars to build new things if you don't have a way to take care of them well into the future. Whether its new roads, sidewalks, athletic fields, trails, or water/sewer lines, staff across all City departments are working on the development and implementation of asset management plans. These comprehensive asset management plans will direct day to day maintenance activities, provide predictability in planning, and serve as the foundation for budgeting for the ongoing capital needs of the City.

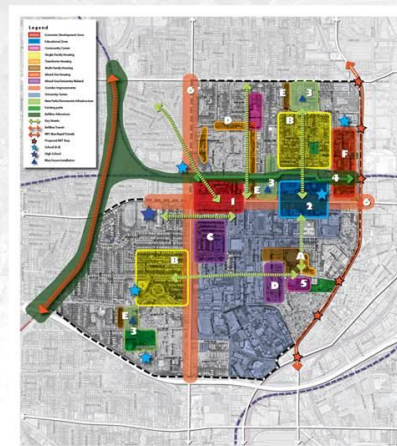
State of the Art Asset Management

- Develop Asset Management Plans
- Develop/Implement Asset Management Systems
- Identify Critical Infrastructure
- Develop Asset Maintenance Plans

Planning for Future Needs

- Update DurhamWalks and Bicycle Plan to identify highest priorities
- Complete Phase I of the Station Area Strategic Infrastructure project, developing prioritized infrastructure recommendations for the nine urban light rail station areas from Alston Avenue to Erwin Road.
- Review all existing policies in City's Comprehensive Land Use Plan

Planning Goals - Develop a **TRANSFORMATION PLAN** for...



HOUSING

Energy efficient, mixed-income, one-for-one replacement

NEIGHBORHOOD

Well-functioning, economically viable, mixed-income neighborhoods

PEOPLE

Improved health, safety, employment, mobility, and education

 Southeast Central Durham Community • Durham, NC
CHOICE NEIGHBORHOODS INITIATIVE PLANNING

Stewardship of Environmental Assets



- Conduct waste stream characterization study
- Develop a reclaimed water master plan
- Institute a green workplace certification program for city departments
- Create and market a Green Business Challenge to help businesses assess their current level of environmental stewardship
- Develop an implementation plan for city-wide inventory and risk analysis of trees located on public property

BUDGET AND FINANCIAL POLICIES

The City of Durham's budget and financial policies serve as the basis for developing the annual operating budget and the six-year Capital Improvement Program. The policies also serve as the basis for the City's overall financial management.

The Local Government Budget and Fiscal Control Act governs much of the activities that occur in budget preparation and execution. The City has instituted other policies voluntarily in order to address issues that are specific to Durham. Both types of policies are noted below.

Operating Budget Policies

State Statutes:

- The City of Durham will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations.
- By State Statute, the annual budget for all City funds, including enterprise funds, is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred. Beginning with the FY 2001-02 Comprehensive Annual Financial Report, the City is accounting for its funds on both a full accrual and a modified accrual basis, in compliance with GASB 34.
- The General Fund has an officially adopted annual budget. The appropriations in the budget ordinance within the General Fund are shown at the fund level. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, all governmental and enterprise funds have legally adopted balanced budgets.
- The City may establish and operate one or more internal service funds. At the same time that it adopts the budget ordinance, the City Council must approve a balanced financial plan for each internal service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenue.
- All grants received from the federal or state governments for operating or capital purposes will be recognized in separate grant project ordinances. A balanced grant project ordinance must be adopted prior to beginning the project. A grant project ordinance is balanced when estimated expenditures do not exceed estimated revenue. Information on each grant project ordinance is included in the Annual Budget.
- The City's budget ordinance will cover a fiscal year beginning July 1 and ending June 30. In order to have the budget ordinance approved by July 1, the Preliminary Budget, together with a budget message, will be submitted to the City Council no later than June 1.
- A public hearing will be held on the Preliminary Budget prior to adoption of the budget ordinance. Notice of this public hearing will be published in the Herald-Sun. This notice will

also state that the Preliminary Budget has been submitted to the City Council and that a copy of the budget is available for review in the City Clerk's office.

City Policies:

- The City's budget will be presented in a program budget format that includes program summaries, current year accomplishments, proposed year budgetary changes, proposed strategies to be employed, and performance measures for each major program or service.
- The City's budget will include five-year revenue and appropriation projections for the General Fund and major enterprise funds. These projections integrate the current financial picture with the outlook over the next five years.
- The City Manager has the authority to transfer funds within a departmental budget or within a fund as set in the budget ordinance. The Budget and Management Services Department staff reviews all budget transfer requests and authorizes all transfers. All administrative budget transfers are documented by the Budget and Management Services Department and tracked in the City's general ledger.
- A budget ordinance amendment is necessary whenever a change is required in the original Budget Ordinance. Those changes primarily involve changes to a fund total. Any amendment must ensure that revenues and appropriations remain balanced. Budget ordinance amendments must be approved by the City Council. All budget ordinance amendments are documented by the City Clerk and the Budget and Management Services Department and tracked in the City's general ledger.

Fund Balance Levels

General Fund

- Fund balance and reserve maintenance are important because they provide financial safety nets in the event of emergencies, economic downturns, or other unforeseen circumstances. Fund balance and reserve maintenance are also major factors considered by bond rating agencies when evaluating the City's credit worthiness.
- To maintain Unassigned Fund Balance ("UFB") in an amount no less than the greater of 12% of the current year's originally adopted Adjusted Budgeted Expenditures, or the amount required by the Local Government Commission (LGC).
- UFB could fall to a level below 12% only at the direction of Council and if it is determined that it is prudent to do so to mitigate current or future risks (e.g., significant revenue shortfalls or unanticipated expenditures), to address unforeseen opportunities or for other emergency purposes.
- If Council directs actions which result in a UFB of less than 12%, then the next year's budget must include a plan to restore the UFB to the minimum level within a reasonable amount of time.
- Any portion of the UFB in excess of 12% of Adjusted Budgeted Expenditures may be considered only for one-time (i.e., non-recurring) expenditures.

Capital Improvement Program

State Statutes

- The City will appropriate all funds for capital projects with a capital project ordinance in accordance with State Statutes.

City Policies

- The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, each project must require a total expenditure of \$100,000.
- In all likelihood, the completion of capital projects will impact the departments' operating budgets as projects are completed and require maintenance and upkeep. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP.
- It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.
- The CIP assumes the use of installment sales financing exclusively for either facilities that house City functions or facilities that are joint private-public ventures. This assumption is consistent with the stated goals of maintaining the existing infrastructure and providing City services in an effective and efficient manner.
- The CIP assumes the dedication of investment income toward general capital projects. By City Council resolution, all investment income derived by the General and Capital Projects Funds is dedicated to the Capital Projects Fund. This allows the City flexibility to accelerate or decelerate the spending schedules for capital projects funded on a pay-as-you-go basis, depending on the rate of return received for the City's pooled cash.
- The City will plan the use of Water and Sewer Operating Fund appropriations to capital projects on a multi-year basis to ensure that any future rate increases will be as level as possible throughout the planning period.

City of Durham, NC

Investment Policy

I. Purpose

To provide guidance for the investment of all City funds in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*.

This policy applies to the investment of all funds in the City's Consolidated Investment Portfolio, excluding the investment of employees' retirement funds, separate foundation or endowment assets and funds managed by external investment advisors.

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances ("Consolidated Operating Portfolio") from all funds to optimize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles as required by N.C.G.S. 159-30(e).

II. Policy

The investment program shall be operated in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and market risk.

a. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by:

- Limiting investments to the types listed in Section VII of this Investment Policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of investment or from any one individual issuer will be minimized, where appropriate.

b. Market Risk

The City will minimize market risk, which is the risk that the liquidation value of certain investments in the portfolio will fall due to changes in interest rates, by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell or redeem investments prior to maturity.

- Investing operating funds primarily in shorter-term investments, money market mutual funds or similar local government investment pools, and limiting the average maturity of the portfolio in accordance with this Policy.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should maintain minimum amounts in cash equivalent investment alternatives (e.g. demand accounts, money market accounts, money market mutual funds, and local government investment pools). The securities portion of the total portfolio should consist largely of securities with active secondary or resale markets.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments shall generally be held until maturity with the following exceptions:

- An investment with declining credit quality may be sold or redeemed early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the investment be sold or redeemed.

4. Local Considerations

Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.

III. Definitions

IV. Procedures

Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate actions are taken in accordance with the terms of this Policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest

The Investment Officers (defined as the Finance Officer, Treasury Manager and Senior Treasury Analyst/Treasury Analyst, hereafter) and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority

Authority to manage the investment program is granted to the Finance Officer and derived from N.C.G.S. 159-30. Under the direction of the Finance Officer, the Treasury Manager and Senior Treasury Analyst/Treasury Analyst have responsibility of the day to day management of City funds. The Investment Officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

Procedures should include references to: safekeeping, delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures approved by the Finance Officer. The Investment Officers shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials.

Investment Providers

1. Broker/Dealers

The City shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed by the Investment Officers and a recommendation will be made for approval by the Finance Officer.

An "approved broker/dealer list" shall be maintained by the Investment Officers at all times and periodically approved by the Finance Officer. The City shall not enter into transactions with a broker/dealer until approved.

All broker/dealers who desire to become approved must supply the following:

- Proof of Financial Industry Regulatory Authority ("FINRA") registration
- Proof of state registration
- Completed broker/dealer questionnaire

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Investment Officer.

2. Financial Institutions

The City shall select a primary depository bank in compliance with the City's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of City funds.

The City may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of City

funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements. No deposit shall be made except in a qualified public depository as established by State law.

3. Minority and Community Financial Institutions

From time to time, the Investment Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Section V.1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law.

Safekeeping and Custody

1. Delivery versus Payment

All trades of marketable securities will be executed by delivery versus payment (DVP) to ensure that securities are deposited in a City-approved safekeeping agent prior to the release of funds.

2. Safekeeping

Securities will be held by an independent third-party safekeeping agent selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls

The Treasury Manager shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Finance Officer and the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

Suitable and Authorized Investments

1. Investment Types

Consistent with the NCGS 159-30, the following investments will be permitted:

- A. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- B. Obligations of government-sponsored agencies and instrumentalities listed in NCGS 159-30 (c) (2).
- C. Obligations of State of North Carolina.
- D. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- E. Time deposits placed with any North Carolina financial institution, secured in accordance with NCGS 159-31(b).
- F. Prime quality commercial paper rated the highest by one of the rating agencies and meeting the standards of NCGS 159-30 (c) (6).
- G. Bankers Acceptance of a commercial bank. Either highest long term debt rating of at least one nationally recognized rating service, or the bank or its holding company is incorporated

in North Carolina. In either event the security shall meet the standards of NCGS 159-30 (c) (7).

- H. Mutual funds certified by the Local Government Commission (LGC) and meeting the standards of NCGS 159-30 (c) (8).
- I. A comingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- J. A comingled investment pool established by Interlocal agreement that meets the standards of NCGS 159-30 (c) (10).
- K. Repurchase agreements meeting the standards of NCGS 159-30 (c) (12).
- L. Mortgage-backed obligations that:
 - i. Pass the Federal Financial Instrumentality Examination Council (“FFIEC”) High Risk Security Test.
 - ii. Is an obligation of a federal agency or instrumentality as listed in NCGS 159-30(c) (2).

2. Collateralization

The City requires collateralization for financial institution deposits in which the depository does not participate in the “Pooled Method” collateralization program of the State Treasurer. If a depository will utilize the “Dedicated Method” collateralization approach, the market value of the required collateral level shall equal or exceed 105% of the principal and accrued interest of any non-federally insured deposit amount. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards deposits.

All financial institutions pledging securities as collateral shall be required to sign a security or collateralization agreement with the City. The agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the financial institution and the City contemporaneously with the deposit;
- The agreement must be approved by the Board of Directors or designated committee of the financial institution and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the financial institution’s “official record” continuously since its execution.

Collateral will be held by an independent third party with whom the City has an escrow agent or custodial agreement. Pledge receipts and monthly reports must be supplied directly to the City by the escrow agent or custodian.

The City shall use State law and the GFOA's Recommended Practices on the Collateralization of Public Deposits as a guide on making adjustments to this collateralization policy for all financial institution accounts, including transaction accounts and certificates of deposit.

3. Repurchase Agreements

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. At the discretion of the Investment Officer, the minimum collateral level shall be 102%.

Investment Parameters

1. Diversification

The following diversification limitations shall be imposed on the portfolio:

Type of Investment	Maximum percentage
U.S. Obligations (1A)	90% of Portfolio
Federal Agencies and Instrumentalities (1B)	90% of Portfolio
North Carolina State and Local Bonds (1C and 1D)	75% of Portfolio
Time Deposits (1E)	90% of Portfolio
Commercial Paper (1F)	25% of Portfolio 5% per Issuer
Bankers Acceptances (1G)	25% of Portfolio 5% per Issuer
LGC certified money market mutual funds (1H)	100% of Portfolio
Comingled investment pool (1I and J)	100% of Portfolio
Repurchase Agreements (1K)	25% of Portfolio Exclusive of bond proceeds
Mortgage-backed Obligation (1L)	25% of Portfolio 10% per Security
Callable Securities	50% of Portfolio

Note: Parenthetical references to section VII of this policy.

2. Maximum Maturities

To the extent possible, the City's Consolidated Operating Portfolio shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City's Consolidated Operating Portfolio should not directly invest in securities maturing more than five (5) years from the date of purchase. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment. The maximum weighted average maturity for the City's Consolidated Operating Portfolio (including cash equivalent balances) shall be thirty months.

Reserve funds and other funds with longer-term investment horizons may be invested in maturities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as financial institution transaction accounts, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

3. Competitive Environment

It is the policy of the City to provide a competitive environment for all individual security purchases and sales, financial institution deposits, and repurchase agreement, money market mutual fund and local government investment pool selections. The Investment Officer shall develop and maintain procedures for ensuring competition in the investment of the City's funds.

4. Outside Discretionary Investment Managers

With the approval of the City Manager, the City may contract with a discretionary investment manager(s) to invest a portion of the City's overall portfolio. The manager shall be selected based on the appropriateness of its management style and risk/return objectives, and must adhere to the investment objectives, parameters and restrictions as determined by the Finance Officer and detailed in the executed management agreement. The manager shall operate in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*, but will not be required to adhere to this Policy.

Reporting

1. Methods

The Investment Officers shall submit to the Finance Director, not less than quarterly, an investment report that summarizes the investment strategies employed in the most recent period, and describe the portfolio in terms of investments, maturities, risk characteristics, and other features. The report shall explain the period's total investment income and compare the amount with budgetary expectations. The report shall include all transactions during the past quarter.

Within a timely manner of the end of the fiscal year, the Investment Officer shall present an annual report on the investment program and investment activity. The annual report shall suggest improvements that might be made in the investment program.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Weighted average yield to maturity shall be the portfolio performance standard for reporting purposes. For management purposes, a series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

3. Market Valuation

The market value of the portfolio shall be calculated at least quarterly and included in the concurrent report. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

Other Considerations

1. Exemption

Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy. The purchase of any investment that does not meet the guidelines of this Policy will require written approval of the Finance Director prior to transaction commitment.

2. Review and Amendment

The Investment Policy shall be reviewed periodically and any changes shall be approved through the City's policy approval framework.

**Policy Subject**

Debt Policy

Effective Date

09-17-2012

Department

FINANCE

Revision 1**Policy Number**

FP 707

To City Employees

Thomas J. Bonfield, City Manager**I. Purpose**

To provide guidance for the issuance of City debt and the maintenance of the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment beneficial to the City and necessary for essential services. The City of Durham issues and manages debt in accordance with the Local Government Bond Act, North Carolina General Statutes (N.C.G.S.) Chapter 159 Article 4 which prescribes a uniform system of limitations upon and procedures for the exercise by all units of local government in North Carolina of the power to borrow money secured by a pledge of the taxing power; and the limitations on local debt as noted in N.C.G.S. 159-55. Other applicable provisions to certain debt and debt refunding actions are contained within N.C.G.S. Chapter 159, Local Government Finance. Long term planning to meet the current and future capital needs of Durham require a sound debt position and guidelines that protect the credit quality of the City.

II. Policy

It is the policy of the City of Durham to establish the scope and purpose for the issuance of debt instruments consistent with the limitations of the North Carolina Local Government Bond Act. This policy specifies Uses of Debt Financings, Responsibility, Service Providers and Oversight, Refundings, Arbitrage Compliance, Credit Ratings, Reporting and Disclosure, Capital Acquisition,

III. Definition

Advance Refunding - A refunding in which the refunding bonds are issued more than 90 days prior to (in advance of) the date upon which the refunded bonds will be repaid. Typically, the proceeds of the refunding bonds are placed in escrow and invested in obligations of the federal government. Payments received on the investments held in escrow are then applied to make payments on the refunded bonds as they become due (including by redemption).

Arbitrage - With respect to the issuance of municipal securities, arbitrage refers to the difference between the interest paid on bonds that are subject to the Code and the interest earned by investing the proceeds of the bonds in higher-yielding securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with bonds that are issued subject to the Code. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Bond Counsel - The attorney or firm of attorneys that gives the legal opinion delivered with the bonds confirming that the bonds are valid and binding obligations of the issuer and whether interest on the bonds is exempt from federal and state income taxes.

Bonds - A debt obligation, or a written promise to pay back an amount (face value of the bond), plus interest, by way of periodic payments within a specified period of time.

Bond Rating - An evaluation of the credit risk associated with a particular bond issue by internationally recognized independent rating agencies (Fitch, Moody's or Standard & Poor's). The City of Durham general obligation bond ratings are currently Aaa/Aaa/AAA ratings, respectively.

Capital Projects - Generally, major City projects with a cost of at least \$100,000. Capital projects can include the cost of land acquisition, construction, renovation and/or the acquisition of major equipment.

Certificates of Participation (COPs)/Limited Obligation Bonds (LOBs) - Alternative financing method requiring no voter approval. The City may issue COPs and LOBs for buildings or equipment using the building or equipment to secure the financing. COPs/LOBs should only be used when the property being financed has sufficient value to secure the debt and will survive the term of the financing. Issuance of COPs/LOBs will be made in accordance with the provisions of N.C.G.S. 159-153 and with the approval of the Local Government Commission.

Competitive Sale - The sale of bonds to the bidder presenting the best sealed bid at the time and

place specified in a published notice of sale. See also Negotiated Sale.

Credit Enhancement - Credit enhancement encompasses a variety of provisions that may be used to reduce the credit risk of an obligation. Credit enhancements are often incorporated into debt instruments. Techniques of credit enhancement include: Collateralization where one or more parties may agree to post collateral and collateral levels may be fixed or vary over time; third party loan guarantees; letters of credit issued by a financial institution; bond insurance where an insurance policy may provide for compensation in the event that a party defaults and surety bonds where a surety (third party) ensures that the principal party (the City) obligations to the obligee (bond holders) will be performed.

Current Refunding - A refunding in which refunding bonds are issued not more than 90 days before the date upon which the refunded bonds will be paid. Generally, the proceeds of the refunding bonds are applied immediately to pay the refunded bonds. Thereafter, the revenues originally pledged to the payment of the refunded bonds are pledged to the payment of the refunding bonds.

Debt Coverage Ratio - A bond covenant or obligation, the ratio is a stipulated formula measurement of the amount of net revenues available from specified revenues to cover required annual debt service payments. The ratio amount and formula for calculation are included in the bond document.

Debt or Bond Covenant - Legal obligations contained in a bond issue document such as a covenant for a specified debt service coverage ratio.

Debt Restructuring - The City is authorized to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management.

Debt Service - The periodic repayment to creditors/holders of debt principal and interest on debt obligations.

Defeasance - To set aside sufficient money to retire outstanding debt. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Derivative or Swap Advisor - A specialized firm hired by the City to provide a review and analysis of derivative or swap alternatives and can assist in the procurement of the swap, including conducting a competitive bid. The advisor provides ongoing monitoring of swap market conditions, advice about rates and structure, and participates in reviewing the closing documentation.

Enterprise Fund - A separate fund used to account for operations in which the cost of providing services is recovered primarily through user charges or fees.

Escrow Agent - With respect to an advance refunding, the commercial bank or trust company retained to hold the investments purchased with the proceeds of the refunding and, customarily, to use the amounts received as payments on such investments to pay debt service on the refunded

bonds.

Financing Team - The group of professional services firms needed use to complete a financing. Primarily, this group will include bond counsel, a financial advisor and an underwriter but other firms may also be included on the financing team.

Financial Advisor - A professional consultant retained (customarily by the issuer) to advise and assist the issuer in formulating and/or executing a debt financing plan to accomplish the public purposes chosen by the issuer.

Finance Officer - The City officer performing the duties of finance officer of a unit of local government pursuant to N.C.G.S. 159-24 of the Local Government Budget and Fiscal Control Act. The City of Durham's Finance Officer is the Director of Finance.

Fixed Rate Security - A debt obligation which is sold with a set interest rate when issued and that does not vary during the term of the obligation.

General Obligation Bonds - General Obligation bonds ("G.O.") are secured by a pledge of the full faith and credit of the City to pay the loan through tax revenue or other revenues. General Obligation ("G.O.") bonds are the simplest form of bond security type. The issuance of G.O. Bonds requires an approval of the majority of voters and the approval of the Local Government Commission. The City may sell general obligation bonds (G.O. bonds) to pay for expenses associated with capital projects or any public improvement as described in NC Statute 159-48.

Installment Purchase Contract - An agreement entered into by the City to:

- a. Purchase real and personal property,
- b. Enter into installment purchase contracts to finance the purchase of real and personal property used, or to be used, for public purposes, and
- c. Finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction within the provisions of G.S. 160A-19 or 160A-20.

Lease/Purchase Agreements - An agreement entered into by the City to lease real and personal property from a third party with the option to purchase the property upon expiration of the lease within the provisions of G.S. 160A-19 and with the approval of the Local Government Commission.

Lessor - One who lets property under a lease. The party leasing the property is known as the lessee.

Local Government Commission - The Local Government Commission (LGC) is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue, and five others by appointment. The State Treasurer serves as Chairman and selects the Secretary of the Commission, who heads the administrative staff serving the Commission. A major

function of the Commission is the approval, sale, and delivery of substantially all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by the Local Government Budget and Fiscal Control Act.

Negotiated Sale - A method of bond sale in which the terms and price of the bonds are negotiated by the issuer through an exclusive agreement with a previously selected underwriter and/or underwriting syndicate. In addition to negotiating the terms and covenants of the issue, the issuer and the underwriter also negotiate pricing of the issue.

Net Interest Cost (NIC) - Net Interest Cost (NIC) is an average interest cost rate for a bond issue, calculated on the basis of simple interest (not compound interest). The NIC calculation does not take into consideration the time value of money. The winning NIC bid may not provide the lowest effective interest cost in present value terms. Because True Interest Cost IC takes into account the time value of money, it generally more accurately measures the issuer's true cost of borrowing than does the NIC. See also TIC.

Parity Debt - With regard to the City's use of revenue bonds to finance enterprise fund capital acquisition, such as water and sewer capital projects; parity debt is the debt associated with the issue of revenue bonds, which are secured by the charges and fees of the City's enterprise fund, such as the water and sewer utility. Subordinate or other debt may exist (such as general obligation bonds issued specifically for water and sewer capital projects and repaid by charges and fees of the utility) without being specifically secured by current utility charges or fees. Parity debt generally requires a higher debt coverage ratio than all debt (parity debt plus subordinate or other debt) in that it is not secured by the full faith and credit of the City.

Private Placements - The offer and sale of a financing by the City directly to one or more investors, rather than through an underwriter. The terms of the placement are often negotiated directly with the investor or lending institution.

Refunding - An issue of new bonds (the refunding bonds) to pay debt service on a prior issue (the refunded bonds). Generally, the purpose of a refunding is either to reduce the debt service on the financing or to remove or replace a restrictive covenant imposed by the terms of the refunded bonds (for example, an excessive coverage ratio). The proceeds of the refunding bonds are either deposited in escrow to pay the refunded bonds when subsequently due (see Advance Refunding) or applied immediately to the payment of the refunded bonds (see Current Refunding). For accounting purposes, refunded bonds are not considered part of the issuer's outstanding debt because the refunded bonds are to be paid from the proceeds of the refunding bonds and not from the revenues originally pledged. Refunded bonds may continue to hold a lien on the revenues originally pledged, however, unless the indenture or bond resolution provides for defeasance of the refunded bonds prior to maturity or redemption.

Revenue Bonds - Bonds issued by the City which are backed with specified revenue sources from an enterprise fund for which the bonds were issued. The City's enterprise funds include fee for service business activities such as the Water and Sewer Fund and the Storm Water Fund. The City

may borrow money from lenders, pledging the revenues from charges and fees of the enterprise fund activities to repay the debt. Revenue bonds do not require voter approval. Issuance of revenue bonds will be made in accordance with the provisions of G.S 159-5 and with the approval of the Local Government Commission.

Trustee - The firm that the City hires to perform one or more of several administrative duties relating to a bond issue.

True Interest Cost (TIC) - True Interest Cost (TIC) is the internal rate of return that will be paid by the issuer to investors. It is the interest rate that discounts the debt service payable for a bond issue to its present value, or net proceeds. The TIC is one of two primary methods used to select the lowest effective interest cost bid in competitive bid sales. Because TIC takes into account the time value of money, it generally more accurately measures the issuer's true cost of borrowing than does the NIC. See also NIC.

Two-Thirds Bonds - The City is authorized to issue general obligation debt under the 2/3 rule, established by G.S. 159-49(2), wherein the City may issue new G.O. bonds up to 2/3 the value of the general obligation debt retired in the prior fiscal year so long as no other new general obligation debt was issued in the same year.

Underwriter or Underwriting Syndicate - Investment banking entity or groups of such entities that purchase, for resale to the public, bonds or other debt obligations issued by the City and/or the LGC on behalf of the City.

Variable Rate Securities - A debt obligation that does not have a fixed interest rate a closing. The interest rate periodically changes based upon an index or a pricing procedure.

Verification Agent - The company hired by the City to verify that the investment of bond proceeds in a refunding or other defeasance have been invested at a rate that does not exceed the amount permitted under federal arbitrage rules.

IV. Procedure

A. Responsibility

The Finance Officer (Director of Finance) has the primary responsibility for developing, recommending and monitoring debt financing and debt refunding/restructuring strategies and instruments. The selection and sourcing of financial consultants and service providers is also within the scope of duties of the Director of Finance. The Treasury Manager, under the direction of the Director of Finance, is tasked with daily operational debt responsibility.

All debt issued by the City will be issued pursuant to the rules, regulations and procedures of the LGC and the laws of the State of North Carolina.

B. Debt Issuance

Subject to the purposes for bond issue noted in NCGS 159-48, the City issues bond financing for the acquisition of or construction of major capital projects. Other debt financing such as COPs, are also available for use on capital projects as deemed in the best interest of the City. Similarly, revenue bonds may be utilized for enterprise fund debt for major capital projects.

Consistent with the limitations of the Local Government Bond Act the City provides for long-term financing needs through the issuance of multiple types of financings. Debt obligations are approved locally and by the Local government Commission as required by state statute.

Referendums, notices and public hearings, as required by state statutes, are conducted prior to final debt approval and issuance.

C. Debt Limits

The City will use the following limitations as guidance for debt issuance:

1. Debt as a Percentage of Assessed Valuation: The City will not exceed a debt to assessed value ratio of 2.50% for debt paid with property taxes. Debt that is paid from the revenues of one of the City's revenue producing enterprises is excluded from this calculation.
2. General Fund Debt Service Limitation: Property tax revenue in the Debt Service Fund less transfers to enterprise funds to pay debt service should not exceed 15% of total expected non-dedicated property tax collections plus all other General Fund revenues. For purposes of this calculation, revenues do not include any expected debt proceeds, transfers in, or use of fund balance. Debt service that is supported by a dedicated revenue stream or anticipated increase in General Fund revenue (i.e. real or synthetic TIF) or paid from enterprise funds is excluded from this calculation.
3. Ten Year Principal Payout: The City will seek to amortize debt as rapidly as possible given certain budget constraints. The City will maintain a percentage of payout in excess of 60% in 10-years.

D. Principles for Debt Issuance

Throughout the debt issuance process, the City will follow the following general principles for the issuance of debt:

1. The City shall seek to maintain the highest possible bond rating without compromising the policy objectives of City.
2. The City will use long-term debt to for the purposes of constructing or acquiring capital assets or for making major renovations to existing capital projects.
3. Long-term debt will not be used to finance current operations or to capitalize expenses. The City will avoid the use of long-term debt to finance on-going maintenance.

4. All debt will be issued to reflect the useful life of the projects. At no time will the City issue debt with a maturity date beyond the useful life of the projects being financed.
5. The City will ensure that adequate systems of internal controls exist to provide reasonable assurance as to compliance with applicable laws, regulations and covenants.
6. The City shall seek to fund projects on a pay-as-you go basis and to obtain other sources of capital besides debt in order to minimize debt levels. However, the City will also seek to balance the tax-burden on current taxpayers with the applicable useful life of the projects in question.
7. All general fund projects to be financed will have been previously included in the City's Capital Improvements Plan (CIP). Any projects not included in the CIP will require specific approval of the City Council/City Manager prior to inclusion in a financing.
8. The City will monitor its debt portfolio in relation to current market conditions in order to refinance debt where sufficient savings will be realized.

E. Types of Debt

State law allows the City to utilize a wide-variety of tools to finance capital projects.

Throughout the financing process, the City will evaluate these requirements in conjunction with the timing requirements of each project and select the financing vehicle which will offer the best combination of lowest cost of borrowing and meet the other applicable requirements of the financing. The following list outlines only the most common financing vehicles available to the City:

1. General Obligation Bonds
2. 2/3rds Bonds
3. Enterprise Revenue Bonds
4. Certificates of Participation/Limited Obligation Bonds
5. Installment Purchase Contracts

The list is not an exhaustive list of options available to the City. The City will evaluate other financing options, their legality under state statutes and whether their use would result in improved financing results for the City.

In addition to the financing options listed above, the City will consider the following factors when financing City projects and evaluating conduit financings:

1. G.O. Bonds: The City will seek voter authorization to issue GO Bonds as directed by the City Council, and in accordance with North Carolina General Statute (NCGS) 159-49. Such authority will be sought only after it is determined that the project costs

are eligible and appropriate for multi-year financing.

2. Enterprise Supported Debt: The City may finance the needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to the issuance of any revenue-secured debt, the City will develop a financial plan and projection showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners and other affected parties.

3. Conduit Debt: The City may sponsor conduit financing for activities that have a general public purpose (economic development, affordable housing, etc.) and are consistent with the City's public policy objectives. All conduit financings must insulate the City from any credit risk or exposure. The Conduit borrower will be responsible for complying with all arbitrage rebate requirements or other regulations related to the issuance of the bonds. Prior to closing the bonds, the borrower will enter into a contract for arbitrage rebate service with a firm approved by the Director of Finance or designee.

4. Short-term Debt: As part of the City's capital planning process, the City will actively engage in the analysis of short-term and/or interim financing. The use of these products/services will be used to lower the overall borrowing costs of a project or series of projects and will be evaluated by the Treasury Manager and Director of Finance. They will only be used when they are advantageous to the City. The financing options include Lines/Letters of Credit, Bond Anticipation Notes (BANs), Tax and Revenue Anticipation Notes (TRANs) and Commercial Paper (CP). Other legally available short-term solutions will also be evaluated.

5. Internal Financing: As an additional financing option, the City will evaluate the use of internal sources to finance capital improvement projects or other purchases (in place of third-party financing). The City will evaluate the use of this type of financing when it creates either economic or administrative efficiencies. The loans will be repaid in full and may not be forgiven except with the written authorization of the Director of Finance or City Manager.

6. Interest Rate Exchange Agreements: As an additional financing options, the City will evaluate the use of Interest Rate Exchange agreement that conform to the City's Interest Rate Exchange Agreement Policy, FP 708.

F. Method of Sale

The City will evaluate debt obligations on a case-by-case basis and select a type of offering that will result in the best financing outcome for the City. Generally, the City will seek to issue its debt obligations using a competitive process unless it is determined by the Director of Finance that an alternative sale method will produce better results for the City. When bonds are to be sold at a competitive sale, the City specifies all the terms of the issue other than interest rates and purchase price.

Prior to presenting bids the underwriters evaluate the credit quality of the issue and the municipal market and may form syndicates or selling groups. The bonds are awarded to the underwriters presenting the best bid based on the criteria specified in the notice of sale. When determined to be appropriate by the Director of Finance, the City may elect to sell its

debt obligations through a negotiated sale. During a negotiated sale, the Underwriter is customarily active in all aspects of structuring the negotiated deal. Selection of the underwriter can be based on many different considerations including, but not limited to, expertise with a particular type of issue, market expertise, reputation, guaranties of maintaining a maximum gross spread, as well as prior relationships with the issuer.

Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program in accordance with North Carolina General Statute (NCGS) 159-49 as allowed by state law.

Alternatively, the City may elect to sell its debt obligations through a private placement to a specific investor. Such a determination may be made on an issue-by-issue basis, for a series of issues, or for part of or all of a specific financing program. As a practice, the City will solicit investor interest prior to selecting a specific investor.

G. Debt Refunding

The City will evaluate the opportunity to refinance outstanding debt to realize economic savings or to accomplish strategic public policy objectives within the following parameters:

1. Advance refundings of outstanding bonds for economic savings may be undertaken when initial estimates illustrate net present value (NPV) savings of at least five percent (5%) of the refunded debt on a stand-alone basis. Lower savings targets may be acceptable if PV savings are over \$1 million, or if the refunding will be completed in conjunction with a new issue and realize economies of scale due to the combination of multiple issues.
2. Current refundings of outstanding bonds for economic savings may be undertaken when initial estimates illustrate net present value (NPV) savings of at least three percent (3%) of the refunded debt on a stand-alone basis or NPV savings are over \$1 million. The City will evaluate all current refunding opportunities when it is preparing to issue other debt.
3. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Director of Finance upon a finding that such a restructuring is in the City's overall best financial interests. A refunding with negative savings will not be considered unless it fulfills a compelling public policy objective.
4. Financial transactions, using Swaps or other derivative products, intended to produce the effect of a synthetic advance refunding, must generate significantly greater savings than the benefit thresholds outlined in this section. Additionally, the City will not move forward with a synthetic refunding unless a traditional transaction would meet the savings targets outlined in this section.
5. Open Market Purchase of City Securities: The City may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible.

H. Fixed Rate and Variable-Rate Securities:

The City will issue the majority of its debt at fixed rates. In response to market conditions including an analysis of interest rate risk, the City may choose to issue securities that pay a

rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds. The City will have no more than twenty percent (20%) of its outstanding bonds in variable rate form.

I. Service Providers and Oversight:

The City will evaluate the use of external service providers on a case by case basis. The City will seek to hire firms that are experts in their field of expertise and will aid the City in achieving the lowest cost of funds for a given financing. These firms may include but are not limited to the following categories:

1. Bond Counsel: The City will retain external bond counsel for all debt issues. All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the debt, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status. The selection criteria for bond counsel will include comprehensive municipal debt experience, experience with complex financings and a high level of expertise with state and federal laws related to the municipal borrowing activities.
2. Financial Advisor: The City will retain an external financial advisor. The utilization of the financial advisor for certain bond sales will be at the discretion of the Department of Finance on a case-by-case basis and pursuant to the financial advisory services contract. The selection criteria for financial advisors will include comprehensive municipal debt experience, experience with diverse financial structuring requirements and pricing of municipal securities.
3. Underwriters: The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. If a negotiated sale is selected, the City will select an underwriter based on results of a competitive process. The City reserves the right to maintain a pool of qualified underwriters and select participants on an issue based on each firm's strengths.
4. Other Services: The Director of Finance shall periodically solicit other service providers (escrow agents, verification agents, trustees, swap advisors, arbitrage compliance consultants, etc.) as needed to facilitate the sale of bonds or the post-sale management of bond issues. The City's financial advisor will, on occasion, facilitate the selection process. The City will seek to fund all bond related costs from bond proceeds at closing.

All bonds issued under the authority of the Local Government Bond Act are approved by the Local Government Commission. Approval of an application as noted in N.C.G.S. 159-51 for a bond issue to the LGC is contingent on criteria established in N.C.G.S. 159-52.

J. Investment of Bond Proceeds and Arbitrage Compliance

Proceeds from the sale of bonds should be invested up to the bond yield on each bond issue when possible. It will be the goal of the City to maximize these earnings while maintaining the appropriate liquidity to ensure availability of funds for the projects. This will include the

evaluation of all legally available investment vehicles. The investment strategy for bond proceeds will be set on a case-by-case basis.

Federal law requires that certain investment earnings in excess of the bond yield (arbitrage earnings) must be paid to the Federal Government under specific circumstances in the form of arbitrage rebate payments. The Department of Finance will invest bond proceeds at the highest yield possible, consistent with the City's investment policy and any restrictions imposed by the governing documents of each series of bonds. The Department of Finance is responsible for monitoring investments and cash flows of the City's bond funds, and contracting for third party arbitrage compliance calculations, if deemed necessary. The Department of Finance will pay arbitrage rebates due from investment earnings on the related bond proceeds pursuant to federal law.

The payment of arbitrage rebate will be viewed positively by the City and it should be the goal of each bond sale to owe arbitrage rebate as it reflects a maximization of investment earnings on a bond issue.

K. Credit Ratings

Rating Agency Relationships: The Director of Finance shall be responsible for maintaining relationships with the rating agencies that assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

Use of Rating Agencies: The Director of Finance shall be responsible for determining if a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Credit Enhancement: The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers should be conducted using a competitive process when practical.

L. Reporting and Disclosure:

Required annual reporting on debt is contained in the Comprehensive Annual Financial Report (CAFR) as well as the City of Durham, North Carolina Final Budget. Additionally, the City Council holds annual budget and fiscal retreats where the Director of Finance presents details of the City's debt issuance plans. The City's current and future debt positions, debt capacity, and debt planning are outlined and ratios and trends are discussed. The City will provide ongoing disclosure information to established information repositories and remain in compliance with disclosure standards promulgated by state and national regulatory bodies.

M. Policy Exceptions

Any deviation from this policy must be confirmed in advance and in writing by the Finance Officer to the City Manager. The Finance Officer is not authorized to override any policy, procedure or provision that is legally mandated or the result of City Council action.

V. Other

N/A

VI. Attachment

N/A



Multi-Year Fund Projections

The City includes fund projections in the annual budget. These projections incorporate the current year budget information with the budget outlook over the next five years. Projections include only the current levels of activity and do not include estimates of future service expansions.

Multi-year projections are prepared for the General Fund, the Debt Fund, and major Enterprise Funds.

GENERAL FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
General Property Taxes	\$ 87,455,884	\$ 91,956,841	\$ 93,800,234	\$ 95,681,155	\$ 97,600,381	\$ 99,558,703
Taxes: Prior Year Levy/Interest	1,257,376	1,289,780	1,315,597	1,337,182	1,363,953	1,391,265
Other Local Taxes	61,367,263	63,589,491	65,895,472	68,288,555	70,772,237	73,350,168
State-Shared Revenues	12,008,581	12,125,619	12,244,999	12,366,765	12,490,967	12,617,654
Licenses and Permits	1,379,204	1,380,043	1,382,441	1,384,900	1,386,717	1,388,571
Investment/Rental Income	122,612	122,612	126,272	126,272	126,272	126,272
Charges for Current Services	7,544,169	7,658,006	7,775,128	7,895,642	7,962,902	8,031,508
Intragovernmental Services	1,946,930	1,985,868	2,025,587	2,066,099	2,107,422	2,149,570
Other Revenues	791,960	791,960	788,300	788,300	788,300	788,300
Additional Revenues	7,041,925	10,678,637	14,965,047	20,512,839	24,528,065	27,839,761
Total Revenues	\$ 180,915,904	\$ 191,578,857	\$ 200,319,077	\$ 210,447,709	\$ 219,127,216	\$ 227,241,772
Appropriations						
Personal Services	\$ 140,412,292	\$ 149,179,347	\$ 155,715,511	\$ 163,341,009	\$ 171,235,616	\$ 179,375,545
Operating	34,128,723	36,818,248	37,926,097	39,381,031	40,115,650	40,037,823
Capital Outlay	872,990	790,470	822,089	854,972	889,170	924,737
Others	349,043	199,043	199,043	199,043	199,043	199,043
Transfers to Other Funds	5,152,856	4,591,749	5,656,337	6,671,654	6,687,737	6,704,624
Total Appropriations	\$ 180,915,904	\$ 191,578,857	\$ 200,319,077	\$ 210,447,709	\$ 219,127,216	\$ 227,241,772
Property Taxes Needed	\$ 87,455,884	\$ 102,635,478	\$ 108,765,281	\$ 116,193,994	\$ 122,128,446	\$ 127,398,464
Projected Levy	87,455,884	91,956,841	93,800,234	95,681,155	97,600,381	99,558,703
Surplus/(Shortfall)	\$ -	\$ (10,678,637)	\$ (14,965,047)	\$ (20,512,839)	\$ (24,528,065)	\$ (27,839,761)
One Cent on Tax Rate	\$ 2,749,320	\$ 2,804,417	\$ 2,860,635	\$ 2,917,998	\$ 2,976,529	3,036,252
Tax Rate (General Fund Only)	0.3181	0.3279	0.3279	0.3279	0.3279	0.3279
Tax Rate Equivalent	0.0000	0.0381	0.0523	0.0703	0.0824	0.0917
Tax Rate (cents)	0.3181	0.3660	0.3802	0.3982	0.4103	0.4196
12% Undesignated Fund Balance	\$ 21,091,566	\$ 22,438,453	\$ 23,359,529	\$ 24,453,127	\$ 25,492,737	\$ 26,464,458
Undesignated Fund Balance	\$ 40,358,075	\$ 40,358,075	\$ 40,358,075	\$ 40,358,075	\$ 40,358,075	\$ 40,358,075
Fund Balance %	22.96%	21.58%	20.73%	19.81%	19.00%	18.30%

GENERAL FUND PROJECTION

Revenue Assumptions

FY2018 – FY2022

- Property Tax Base is projected to grow at 2.00% annually overall.
- FY 2016-17 is a revaluation year in which property tax values are reappraised. The FY2015-16 General Fund rate was 35.38 cents per \$100 of assessed value. After revaluation, the proposed adjusted General Fund rate is 31.81 cents per \$100 of assessed value.
- Other Local Taxes: Sales tax is projected at 3.50% growth annually. Hotel / Motel Occupancy Tax is projected at 7.00 % growth annually.
- Intergovernmental projection: State Collected Revenues are assumed to have slow growth of 1.00%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Rental Income is projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have slow growth (between 1% and 2%).

Appropriation Assumptions

FY2018 – FY2022

- Personal Services (all salaries and benefits) appropriations are projected to grow at 4% - 4.5% overall.
- Allowances are included for 30 additional fire fighters in FY2017-18 to staff the new fire station number 17, and 15 additional fire fighters in FY2020-21 to staff the new fire station number 18.
- Operating appropriations are generally projected to grow at 1%. Other periodic costs such as election year expenses, as well as gradual increases for deferred maintenance and street maintenance funding are also included in future years.
- Capital outlay is projected to stay flat.
- Transfers to Other Funds are generally projected to grow overall by 2%, but fund subsidies are also included with best estimates based upon multi-year projections for those funds.

DEBT FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Property Taxes	\$ 35,796,152	\$ 36,531,737	\$ 37,258,339	\$ 37,992,036	\$ 38,757,314	\$ 39,544,912
Other Revenue	622,013	598,195	572,160	545,192	509,455	471,826
Intergovernmental	939,258	1,878,516	-	-	-	-
Refunding Proceeds	-	-	-	-	-	-
Appropriation from Fund Balance	-	-	1,991,650	1,130,309	4,242,185	2,318,305
Total Revenues	\$ 37,357,423	\$ 39,008,448	\$ 39,822,149	\$ 39,667,537	\$ 43,508,954	\$ 42,335,043
Appropriations						
Debt Service	\$ 29,097,847	\$ 28,485,208	\$ 35,726,815	\$ 35,998,346	\$ 39,764,829	\$ 38,712,891
Tax Collection Fee	393,758	401,849	409,842	417,912	426,330	434,994
Transfer to Capital	999,110	942,434	1,755,995	1,471,598	1,588,502	1,413,220
Transfer to Other Funds	2,080,111	2,065,453	1,929,497	1,779,681	1,729,293	1,773,938
Appropriation to Fund Balance	4,786,597	7,113,504	-	-	-	-
Total Appropriations	\$ 37,357,423	\$ 39,008,448	\$ 39,822,149	\$ 39,667,537	\$ 43,508,954	\$ 42,335,043

DEBT PROJECTION

Revenue Assumptions

- Property Taxes – Property Tax Base is projected to grow at 2.86% annually.
- Other Revenue – Subsidy payments from Build America Bonds (BABs).
- Intergovernmental – Transfers from Durham County to pay for a portion of a communications infrastructure project.
- Appropriation from Fund Balance – Any portion not covered by revenues must be covered by fund balance.

Appropriation Assumptions

- Debt Service – Principal and interest payments on the City's debt service. Interest is projected at 4.5%.
- Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.
- Transfer to Capital / Other Funds – Transfers to funds that have debt obligations.
- Appropriation to Fund Balance – Any surplus in the fund is returned to fund balance.

WATER AND SEWER FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Investment/Rental	\$ 522,000	\$ 532,440	\$ 543,089	\$ 553,951	\$ 565,030	\$ 576,331
Water & Sewer Sales	92,112,570	94,875,947	98,101,729	101,633,392	105,495,460	111,297,711
Other Operating Revenues	987,000	1,006,740	1,026,875	1,047,412	1,068,361	2,540,179
Licenses and Permits	90,000	91,800	93,636	95,509	97,419	99,367
Frontage Fees/Assessments	350,000	357,000	364,140	371,423	378,851	386,428
Other Revenues	58,849	60,026	61,227	62,452	63,701	64,975
Total Revenues	\$ 94,120,419	\$ 96,923,953	\$ 100,190,696	\$ 103,764,139	\$ 107,668,822	\$ 114,964,991
Appropriations						
Personal Services	\$ 26,676,099	\$ 27,743,143	\$ 28,852,869	\$ 30,006,984	\$ 31,207,263	\$ 32,455,554
Operating	27,085,673	28,033,672	29,014,851	30,030,371	31,081,434	32,324,691
Capital Outlay	218,000	227,810	238,061	248,774	259,969	271,668
Transfer to CIP	22,000,000	20,800,000	20,000,000	15,700,000	11,300,000	11,500,000
Transfer to Other Funds	911,502	952,520	995,383	1,040,175	1,086,983	1,135,897
Debt Service	10,198,338	12,891,907	14,795,202	20,668,782	27,036,671	30,174,716
Appropriation to Fund Balance	7,030,807	6,274,901	6,294,330	6,069,053	5,696,502	7,102,465
Total Appropriations	\$ 94,120,419	\$ 96,923,953	\$ 100,190,696	\$ 103,764,139	\$ 107,668,822	\$ 114,964,991

Debt Coverage Ratio:

Parity Debt	6.10	4.70	3.83	2.63	2.03	1.92
All Debt	3.96	3.39	3.07	2.28	1.83	1.77

WATER AND SEWER PROJECTION

Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges is proposed for FY 2016-17. This rate increase equates to about a 2.8% increase for the average residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of funds from capital facility fees, pay-as-you-go transfers from the operating fund, and revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- Most non-rate revenue sources are projected to increase by 2% annually.

Appropriation Assumptions

- All Operational and Maintenance costs including operating and capital increase by 3.5% each year to cover expected system expansions and increased regulatory requirements, and personnel increases by 4% each year.
- Transfer to CIP represents the amount of cash projected to be transferred from the Water and Sewer Fund to the Capital Projects fund for water and sewer construction projects.

- Transfers to Other Funds include a transfer capital funds to pay for fleet needs.
- Debt Service projections are provided by the City's Finance Department and includes all existing and estimated future debt service to be paid by the Utility System.
- Appropriation to Fund Balance builds the reserves in the Water and Sewer operating fund in order to be able to continue to meet debt covenants.

SOLID WASTE FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
General Property Taxes	\$ 16,853,334	\$ 17,191,078	\$ 17,535,695	\$ 17,887,328	\$ 18,246,122	\$ 18,612,225
Interest and Rental Income	10,000	10,000	10,000	10,000	10,000	10,000
Charges for Services	6,080,361	6,130,927	6,182,067	6,233,784	6,286,084	6,338,823
Intergovernmental Revenues	157,376	157,376	157,376	157,376	157,376	157,376
Landfill Gas	193,060	189,199	185,415	181,707	178,072	172,730
Transfers From Other Funds	90,130	90,130	90,130	15,000	15,000	15,000
Appropriation From Fund Balance	-	600,093	228,830	132,662	362,835	323,628
Total Revenues	\$ 23,384,261	\$ 24,368,803	\$ 24,389,513	\$ 24,617,857	\$ 25,255,490	\$ 25,629,782
Appropriations						
Personal Services	\$ 6,823,460	\$ 7,377,370	\$ 7,722,682	\$ 8,093,564	\$ 8,434,755	\$ 8,814,319
Operating	12,142,515	12,622,543	12,623,093	12,874,002	13,133,069	13,330,065
Capital and Other	75,130	75,130	75,130	-	-	-
Debt Service	4,260,951	4,289,942	3,964,790	3,650,291	3,687,665	3,485,398
Transfers To Other Funds	3,818	3,818	3,818	-	-	-
Transfer to Fund Balance	78,387	-	-	-	-	-
Total Appropriations	\$ 23,384,261	\$ 24,368,803	\$ 24,389,512	\$ 24,617,856	\$ 25,255,490	\$ 25,629,782

SOLID WASTE PROJECTION

Revenue Assumptions

- General Property Taxes represents the portion of the City's tax rate that is dedicated to the Solid Waste Fund. For FY 2016-17, this rate is proposed to be 6.13 cents per \$100 valuation. Future years project the same rate. Consistent with the City's General Fund multi-year plan, this revenue is expected to grow 2% per year.
- Interest and rental income is revenue earned through the commitment of City funds to investments.
- Charges for Services represents all revenues which are received as a direct result of the department's operations. These revenues include the per ton tipping fee, fees for yard waste collection, disposal bin purchases, brush pickup fees, and white good disposal revenue. These fees are projected to grow or decline at various rates depending upon the specific source.
- Intergovernmental Revenues includes the State Solid Waste Disposal Tax and is projected to be constant.
- Landfill Gas is methane produced by the landfill and sold to a vendor. It is a limited resource, and as production drops, revenue is projected to decrease by 2% annually.
- Transfers from Other Funds is a transfer from the BID fund to partially cover the costs of providing extra services in the BID area. For FY 2016-17 and the following 2 years, an additional \$75,130 is proposed to pay for new compactors for the downtown area.
- Appropriation from Fund Balance is used when projected expenses exceed projected revenues for the fund.

Appropriation Assumptions

- Personal Services projections are based upon assumptions in the City's multi-year plan and are projected to grow between 4% - 4.5% per year over the next five years.
- Operating costs are projected to grow by due primarily to contractual and vehicle repair costs.
- Debt service costs cover vehicle purchases and other capital needs that are financed.
- Transfers to Other Funds is a small transfer to cover the Solid Waste Fund's portion of a technology project.
- Transfer to Fund Balance is used when projected revenues exceed projected expenses.

STORMWATER MANAGEMENT FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Operating Revenues	\$ 15,194,979	\$ 15,221,598	\$ 15,248,483	\$ 15,730,082	\$ 16,076,356	\$ 16,424,061
Interest and Rental Income	25,000	25,250	25,503	25,758	26,015	26,275
Miscellaneous Revenue	219,750	252,433	258,196	264,065	270,051	270,051
Transfers from Other Funds	109,047	109,047	109,407	109,407	109,407	109,407
Subtotal Revenues	\$ 15,548,776	\$ 15,608,328	\$ 15,641,588	\$ 16,129,312	\$ 16,481,829	\$ 16,829,794
Appropriation from Fund Balance		4,257,976	2,303,318	1,283,165	1,387,714	1,961,863
Total Revenues	\$ 15,548,776	\$ 19,866,304	\$ 17,944,906	\$ 17,412,476	\$ 17,869,543	\$ 18,791,657
Appropriations						
Personal Services	\$ 7,215,998	\$ 7,504,638	\$ 7,804,823	\$ 8,117,016	\$ 8,441,697	\$ 8,779,365
Operating	3,060,162	3,436,666	4,465,083	4,545,460	4,677,846	4,812,292
Transfers to Other Funds	2,516,608	8,925,000	5,675,000	4,750,000	\$ 4,750,000	5,200,000
Transfers to Fund Balance	2,756,008	-	-	-	-	-
Total Appropriations	\$ 15,548,776	\$ 19,866,304	\$ 17,944,906	\$ 17,412,476	\$ 17,869,543	\$ 18,791,657

STORMWATER MANAGEMENT PROJECTION

Revenue Assumptions

Stormwater Charges – Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). No rate increase is proposed for FY 2016-17. A rate increase may be needed for FY 2017-18, depending on the rate of capital spending.

The single-family residential Stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface:

- \$3.26 for less than 2,000 square feet
- \$6.75 for more than 2,000 and less than 4,000 square feet
- \$13.52 for more than 4,000 square feet

The monthly charge for each commercial ERU is \$6.75. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees.

Miscellaneous revenues include permit fees for plan review and inspection of any required Stormwater management facilities (e.g., detention basin, sand filter) associated with development plans. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. Increases are budgeted at approximately 3%.

Transfers from other funds includes transfers from the Transit Fund.

Appropriations from fund balance represents any costs not covered from revenue sources.

Appropriation Assumptions

- Personal Services costs are projected to grow at a rate of approximately 4% annually.
- Operating costs are projected to grow at approximately 2.5% annually. Beginning in FY 2017-18, additional funding beyond the 2.5% growth will be needed per year due to the consolidation of Stormwater maintenance for City-owned property within the fund.
- The Transfers to Other Funds includes the transfer from the Stormwater Fund to the CIP fund for private property projects and watershed planning and design and to the Fleet Fund for vehicle replacements.
- Transfer to fund balance is present in years in which revenue are anticipated to exceed expenditures.

TRANSIT FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
General Property Taxes	\$ 11,299,707	\$ 11,526,155	\$ 11,757,211	\$ 10,388,073	\$ 10,596,443	\$ 10,809,057
Licenses and Permits	2,480,521	2,530,131	2,580,734	2,632,348	2,684,995	2,738,695
Intergovernmental	5,109,187	4,997,761	5,543,919	4,651,609	4,965,373	5,258,349
Charges for Current Services	3,442,022	3,657,418	3,878,869	4,106,519	4,340,517	4,581,014
Other Revenue	147,727	89,354	91,076	80,896	118,822	84,859
Appropriation from Fund Balance	-	-	-	-	-	-
Total Revenues	\$ 22,479,164	\$ 22,800,820	\$ 23,851,808	\$ 21,859,446	\$ 22,706,150	\$ 23,471,974
Appropriations						
Operating	\$ 18,606,554	\$ 19,106,998	\$ 19,607,448	\$ 20,119,428	\$ 20,673,861	\$ 21,511,019
Capital	491,154	538,049	1,084,745	175,633	417,739	371,489
Debt Service	198,821	205,778	205,778	205,778	205,778	205,778
Transfers to Other Funds	1,668,293	1,405,148	1,378,419	1,358,606	1,408,771	1,383,688
Appropriation to Fund Balance	1,514,342	1,544,847	1,575,417	-	-	-
Total Appropriations	\$ 22,479,164	\$ 22,800,820	\$ 23,851,808	\$ 21,859,446	\$ 22,706,150	\$ 23,471,974

TRANSIT PROJECTION

Revenue Assumptions

- This fund does not capture the full revenues or costs associated with Transit operations. Several grants are accounted for in grant funds. Changes in future grant allocations affect overall Transit operations.
- The Transit Fund is proposed to receive 4.11 cents of the tax rate until FY 2019-20 when it reverts to 3.56 cents. This is to erase the deficit in the Transit Fund by giving approximately \$1.5M back to fund balance in each of the next three years. Growth in the tax base is projected at 2% annually.
- Licenses and Permits are projected to grow by 2% annually.
- Intergovernmental (State grant) revenue base is projected flat overall, but increases are tied to growth in the transit system as new service is added, based on the funding formula. This line also includes transfers from Triangle Transit for new services and approved transfers for existing service from the half cent sales tax and increased motor vehicle fee approved as part of the Bus and Rail Investment Plan.
- Charges for Services are projected to grow at 3% for Transit and Paratransit services after FY 2016-17.
- Other Revenue is variable based upon expected activities in each fiscal year.
- Appropriation from Fund Balance is present in years where expenses are projected to exceed revenues.

Appropriation Assumptions

- As noted in Revenue Assumptions, some Transit operating costs are captured in grant funds and not shown here. Changes in those grant allocations will also affect Transit operations funding.
- This projection does not include capital costs for significant expansion of the fleet. Those costs are captured in grant and capital projects.
- Transit service operating costs are projected to rise at an annual rate of 3.05% on average without any increase in service levels. The other increases in FY 2017-18 through FY 2021-22 also reflect costs associated with projected new services as part of the Bus and Rail Investment Plan.
- Transfers to Other Funds show grant matches required to leverage grant funding for Transit operations.
- Appropriation to Fund Balance is present in years when revenues are projected to exceed expenses.

PARKING FACILITIES FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Interest and Rental Income	\$ 3,000	\$ 3,060	\$ 3,121	\$ 3,183	\$ 3,247	\$ 3,312
Charges for Current Services	4,493,336	5,419,279	6,055,236	6,141,049	6,210,612	6,287,032
Appropriation from Fund Balance	-	-	911,803	1,044,992	1,259,996	1,145,003
Transfers from Other Funds	914,757	882,708	918,176	903,571	878,050	852,070
Total Revenues	\$ 5,411,093	\$ 6,305,047	\$ 7,888,336	\$ 8,092,795	\$ 8,351,905	\$ 8,287,417
Appropriations						
Personal Services	\$ 224,757	\$ 233,747	\$ 243,097	\$ 252,821	\$ 262,934	\$ 273,451
Operating	3,352,531	3,523,146	4,480,799	4,561,185	4,643,328	4,727,401
Capital	105,500	-	-	-	-	-
Debt Service	1,111,276	1,853,128	3,164,440	3,278,789	3,445,643	3,286,565
Transfer to Fund Balance	617,029	695,026	-	-	-	-
Total Appropriations	\$ 5,411,093	\$ 6,305,047	\$ 7,888,336	\$ 8,092,795	\$ 8,351,905	\$ 8,287,417

PARKING FACILITIES PROJECTION

Revenue Assumptions

- Since FY 2002-2003 a private vendor is contracted to operate the City garages and parking lots.
- The Parking Fund has a multi-year financial plan. Some of the significant assumptions include:
 - Purchase of New parking equipment for on-street parking enforcement (meters) – beginning in FY 2016-17.
 - Construction of New Parking Deck with the first debt payment in FY 2017-18, and full operating impacts beginning in FY 2018-19.
 - This assumes a general parking rate increase of 20% in FY 2017-2018
- Transfers from Other Funds are a subsidy from the Debt Service Fund, covering existing debt service. Any new debt the fund incurs is expected to be covered by the Parking Fund.

Appropriation Assumptions

- Personal Services are projected to grow by 4%.
- Operating costs are projected based on the timing of the assumptions listed above.

BALLPARK FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Interest Income	\$ 3,000	\$ 5,321	\$ 4,163	\$ 4,000	\$ 4,000	\$ 4,000
Charges for Service	244,712	220,454	236,976	253,979	271,476	289,483
Transfers from Other Funds	1,215,354	1,225,292	1,103,811	1,074,342	1,047,275	1,017,534
Transfer from Reserve	-	-	232,778	1,609,136	373,550	-
Total Revenues	\$ 1,463,066	\$ 1,451,067	\$ 1,577,728	\$ 2,941,457	\$ 1,696,301	\$ 1,311,017
Appropriations						
Operating	\$ 42,022	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	1,273,414	1,395,746	1,240,787	1,228,320	1,218,752	1,207,017
Capital Repair/Replacement	-	-	336,941	1,713,137	477,549	63,924
Transfer to Fund Balance	17,612	55,321	-	-	-	40,076
Transfers to Other Funds	130,018	-	-	-	-	-
Total Appropriations	\$ 1,463,066	\$ 1,451,067	\$ 1,577,728	\$ 2,941,457	\$ 1,696,301	\$ 1,311,017

BALLPARK PROJECTION

Revenue Assumptions

- Per the lease agreement approved by City Council on May 6, 2013, the City will receive annual base rent of \$135,304, with a projected 2% escalation, based on CPI. Additionally, the City will receive 3% of any gross revenues in excess of \$10,750,000 as well as 1.25% of revenues collected from Third Party and Special Events. These figures and assumptions were used to calculate interest and rental income revenues.
- The Transfers from Other Funds represents a subsidy from the General Fund and Debt Service Fund. The General Fund is providing \$50,000 annually for the capital reserve fund, which will increase to \$100,000 for FY 2019 and beyond. The Debt Service Fund will subsidize the Ball Park Fund approximately \$1.1 million annually through FY 2018-19 at which point the debt service subsidy will decrease to less than \$1 million thereafter.

Appropriation Assumptions

- Operating costs include estimated costs above the agreement cap for any given year.
- Debt Service costs account for the issuance of \$12 million in taxable limited obligation bonds per the development agreement approved by Council on May 6, 2013. These bonds were used to provide \$6 million in deferred maintenance repairs and \$6 million in renovations to the Ball Park, completed in April 2014. Debt Service estimates are supplied by the Finance Department.
- Capital Repair/Replacement captures the anticipated replacement costs of large maintenance items such as electrical equipment, elevators and HVAC system replacements/upgrades.
- Transfer to Fund Balance represents the amount set aside to fund a capital reserve for future needs.
- Transfers to Other Funds represent an inter-fund loan repayment projected to be complete in FY 2016-17.

DURHAM PERFORMING ARTS FUND PROJECTION

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenues						
Other Local Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Other Revenues	1,112,500	1,120,000	1,052,500	965,000	1,052,500	1,017,500
Interest Income	6,000	10,000	10,000	10,000	10,000	10,000
Operating Revenues	1,362,538	1,423,400	1,599,096	1,355,730	1,537,502	1,473,166
Appropriation from Fund Balance	-	533,653	-	-	-	-
Total Revenues	\$ 3,881,038	\$ 4,487,053	\$ 4,061,596	\$ 3,730,730	\$ 4,000,002	\$ 3,900,666
Appropriations						
Operating	\$ 297,416	\$ 307,421	\$ 317,807	\$ 328,591	\$ 339,790	\$ 351,421
Capital and Other	748,775	1,948,172	715,582	747,978	833,036	686,476
Debt Service	2,230,989	2,231,460	2,236,225	2,231,745	2,234,005	2,237,119
Appropriation to Fund Balance	603,858	-	791,982	422,416	593,171	625,650
Total Appropriations	\$ 3,881,038	\$ 4,487,053	\$ 4,061,596	\$ 3,730,730	\$ 4,000,002	\$ 3,900,666

DURHAM PERFORMING ARTS PROJECTION

Revenue Assumptions

- Other Local Taxes represents Occupancy Tax collections from Durham County. Durham Performing Arts Center is funded with 1% of collections, up to a maximum of \$1,400,000 annually.
- Other revenues represent Ticket Facility Fee Revenue and Naming Rights. Ticket facility fees are a \$1.50 surcharge charged on each ticket purchased for events and performances held at DPAC. Naming Rights fluctuate year to year as organizations' contractual rights to naming change.
- Operating revenues represents the City's share of the net operating revenue of the facility. The City of Durham receives a percentage of net operating revenue, based upon how much revenue falls into various reimbursement tiers. The current reimbursement schedule is as follows:
 - Tier 1: 40% of revenue below \$2,000,000
 - Tier 2: 30% of revenue between \$2,000,000 and \$2,300,000
 - Tier 3: 40% of revenue between \$2,300,000 and \$3,000,000
 - Tier 4: 20% of revenue above \$3,000,000
- Interest Income represents revenues gained through the commitment of City funds to investment instruments allowed under State Statute.
- Appropriations from Fund Balance represents any costs not covered from revenue sources.

Appropriation Assumptions

- Operating costs represent commissions and fees to meet contractual obligations for the operation of the facility and are projected to grow at 3% annually.
- Capital and other represents expenses related to the maintenance, improvement, and repairs to the facility. These expenses were previously captured in the DPAC Capital Facilities fund, which was consolidated with the annual operating fund for the FY 2014-15 fiscal year.
- Debt service represents expected debt service on Certificates of Participation issued to finance the theatre.

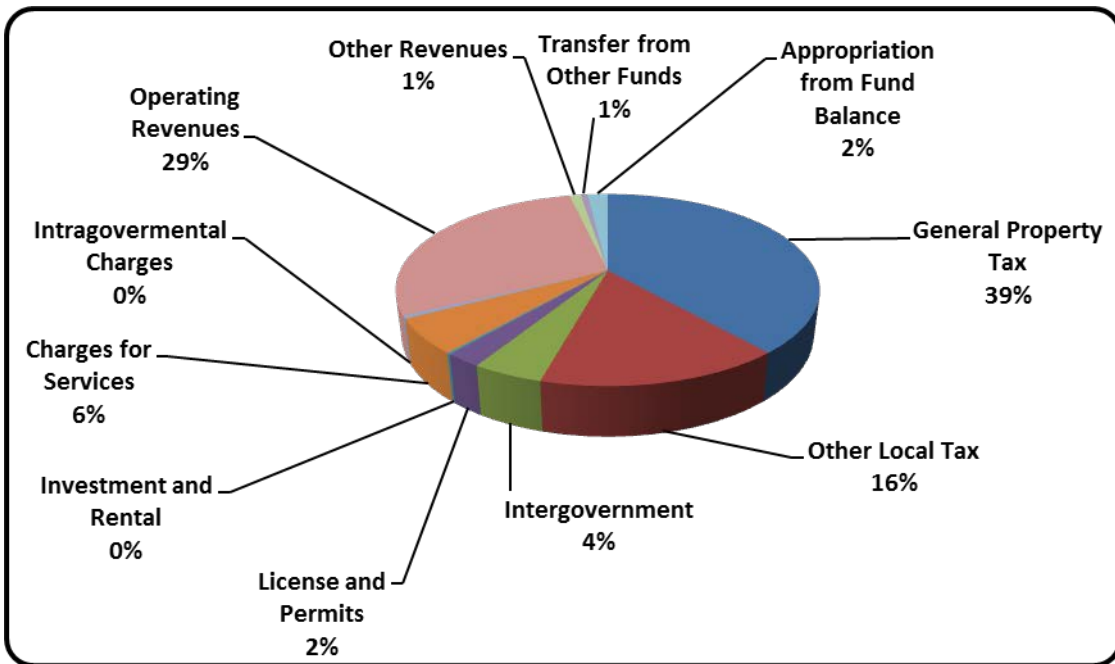
- Appropriation to Fund Balance represents transfers for any surplus revenue beyond expenditures.

**SUMMARY OF REVENUES AND APPROPRIATIONS
FOR ALL FUNDS**

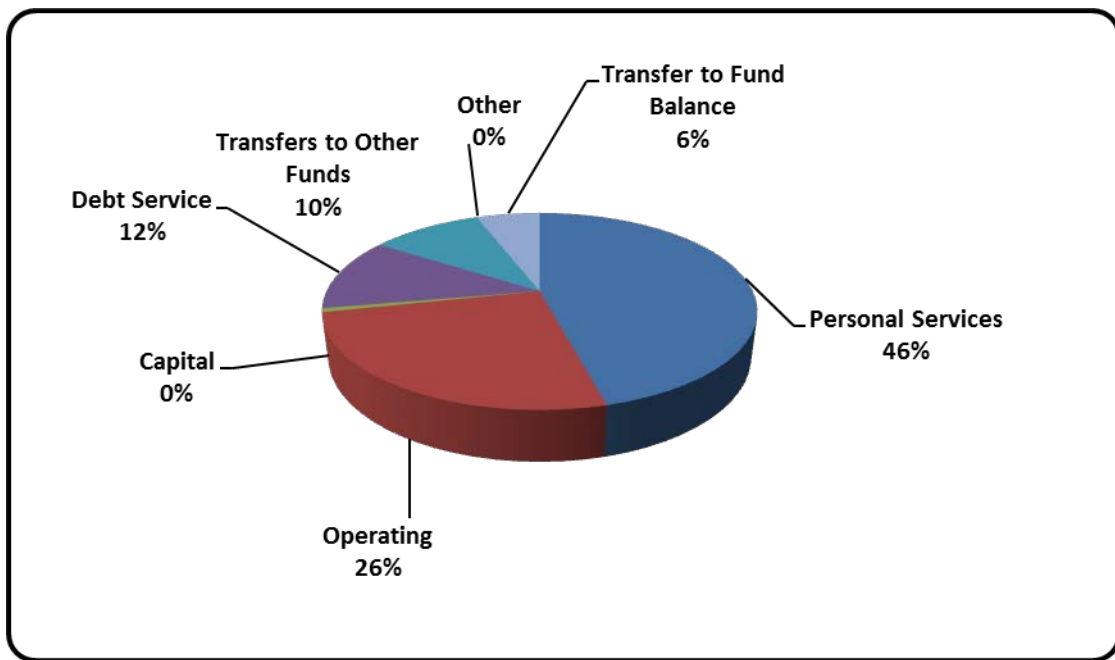
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17
General Property Taxes	\$ 146,831,438	\$ 148,410,783	\$ 148,872,457	\$ 156,026,447
Other Local Taxes	60,433,375	54,772,090	61,006,811	62,767,263
Intergovernmental	21,690,326	18,198,039	18,014,588	18,214,402
Licenses and Permits	11,718,256	6,974,257	9,794,475	9,469,702
Investment and Rental Income	2,152,281	796,272	9,122,539	941,167
Charges for Current Services	27,034,584	27,434,952	27,674,071	23,558,800
Intragovernmental Charges	1,721,964	1,822,778	1,838,778	1,946,930
Operating Revenues	118,002,502	110,396,549	120,352,557	116,382,796
Other Revenues	88,964,688	10,590,227	11,105,897	4,204,260
Transfers from Other Funds	18,125,729	3,820,540	4,109,485	2,638,137
Appropriation from Fund Balance	5,237,248	4,934,231	3,828,935	7,503,375
Total Revenues	\$ 501,912,391	\$ 388,150,718	\$ 415,720,592	\$ 403,653,279
Personal Services	\$ 167,933,639	\$ 179,175,568	\$ 176,629,346	\$ 185,389,063
Operating	88,836,043	98,778,342	106,567,413	103,538,300
Capital	1,585,222	1,691,567	2,563,454	2,587,769
Debt Service	146,871,065	57,434,904	62,989,954	48,371,642
Transfers To Other Funds	53,897,689	40,193,813	40,424,209	40,649,446
Other	-	252,855	146,769	-
Transfer to Fund Balance	42,788,733	10,623,669	26,399,447	23,117,059
Total Appropriations	\$ 501,912,391	\$ 388,150,718	\$ 415,720,592	\$ 403,653,279

SUMMARY OF REVENUES AND APPROPRIATIONS FOR ALL FUNDS

FY 2016-2017 REVENUES

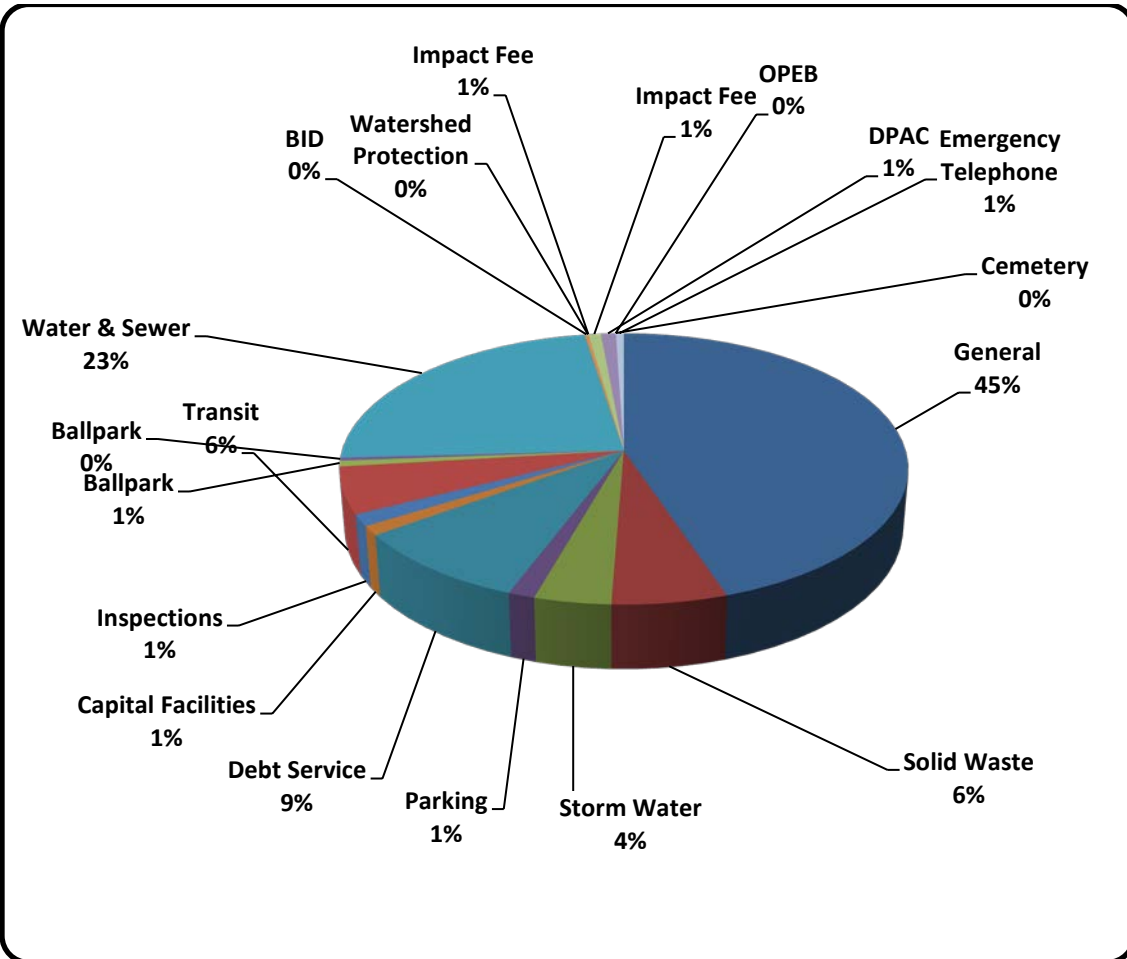


FY 2016-2017 APPROPRIATIONS



SUMMARY OF ALL FUNDS RECOGNIZED IN BUDGET ORDINANCE

Budget Ordinance



**SUMMARY OF REVENUES FOR ALL
FUNDS RECOGNIZED IN BUDGET ORDINANCE**

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17
General Fund				
General Property Taxes	\$ 95,452,854	\$ 89,197,999	\$ 89,659,673	\$ 88,713,260
Other Local Taxes	58,986,911	53,372,090	59,606,811	61,367,263
State-Shared Revenues	15,688,249	11,881,736	11,571,231	12,008,581
Licenses and Permits	8,972,601	4,408,736	811,591	1,379,204
Interest and Rental Income	173,616	126,272	124,272	122,612
Charges for Current Services	7,321,321	7,080,356	6,817,905	7,544,169
Intragovernmental Revenues	1,721,964	1,822,778	1,838,778	1,946,930
Other Revenues	677,632	730,847	1,056,436	791,960
Transfers from Other Funds	83,000	-	-	-
Subtotal Current Revenues	\$ 189,078,148	\$ 168,620,814	\$ 171,486,697	\$ 173,873,979
Appropriation from Fund Balance	-	3,223,305	662,921	7,041,925
Total Revenues	\$ 189,078,148	\$ 171,844,119	\$ 172,149,618	\$ 180,915,904
Debt Service Fund				
General Property Taxes	\$ 38,961,787	\$ 32,231,624	\$ 32,231,624	\$ 35,796,152
Interest	50,663	-	-	-
Other Revenue	52,058,221	6,635,637	6,635,637	622,013
Transfers from Other Funds	172,125	-	-	-
Intergovernmental	2,197,450	1,217,222	1,217,222	939,258
Subtotal Current Revenues	\$ 93,440,246	\$ 40,084,483	\$ 40,084,483	\$ 37,357,423
Appropriations from Fund Balance	507,159	1,160,985	1,160,985	-
Total Revenues	\$ 93,947,405	\$ 41,245,468	\$ 41,245,468	\$ 37,357,423
Water and Sewer Fund				
Investment and Rental Income	\$ 592,211	\$ 466,000	\$ 666,326	\$ 522,000
Water and Sewer Sales	93,293,377	86,534,603	96,103,136	92,112,570
Other Operating Revenue	1,086,866	962,500	1,302,079	987,000
Licenses and Permits	114,457	85,000	121,300	90,000
Other	790,113	408,625	190,446	350,000
Transfer from Other Funds	287,635	276,982	276,982	58,849
Subtotal Current Revenues	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419
Appropriations from Fund Balance	-	-	-	-
Total Revenues	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419
Solid Waste Disposal Fund				
General Property Taxes	\$ -	\$ 14,481,951	\$ 14,481,951	\$ 16,853,334
Interest and Rental Income	20,111	7,000	7,000	10,000
Charges for Services	5,914,372	6,040,052	6,078,758	6,080,361
Solid Waste Fee	127,759	-	(4)	-
Intergovernmental Revenues	153,766	152,400	152,400	157,376
Landfill Gas	100,285	197,000	193,898	193,060
Other Financing Sources	2,202,774	-	-	-
Transfers From Other Funds	13,827,981	15,000	15,000	90,130
Subtotal Current Revenues	\$ 22,347,048	\$ 20,893,403	\$ 20,929,003	\$ 23,384,261
Appropriation From Fund Balance	-	-	-	-
Total Revenues	\$ 22,347,048	\$ 20,893,403	\$ 20,929,003	\$ 23,384,261
Stormwater Management Fund				
Interest and Rental Income	\$ 30,596	\$ 20,000	\$ 34,205	\$ 25,000
Operating Revenues	15,407,370	15,219,115	15,315,115	15,414,729
Transfer from Other Funds	232,047	109,047	109,047	109,047
Subtotal Current Revenues	\$ 15,670,013	\$ 15,348,162	\$ 15,458,367	\$ 15,548,776
Appropriations from Fund Balance	-	-	-	-
Total Revenues	\$ 15,670,013	\$ 15,348,162	\$ 15,458,367	\$ 15,548,776
Transit Fund				
General Property Taxes	\$ 9,531,107	\$ 9,580,368	\$ 9,580,368	\$ 11,299,707
Licenses and Permits	2,631,198	2,480,521	2,480,521	2,480,521
Intergovernmental	3,650,861	4,946,681	5,073,735	5,109,187
Charges for Current Services	3,346,528	3,451,051	3,303,953	3,442,022
Other Revenue	48,141	210,936	113,522	147,727
Subtotal Current Revenues	\$ 19,207,835	\$ 20,669,557	\$ 20,552,099	\$ 22,479,164
Appropriation from Fund Balance	-	-	5,529	-
Total Revenues	\$ 19,207,835	\$ 20,669,557	\$ 20,557,628	\$ 22,479,164

Parking Facilities Fund

Interest and Rental Income	\$ 1,027,349	\$ 2,000	\$ 8,002,000	\$ 3,000
Charges for Current Services	3,266,549	3,306,726	3,837,699	4,493,336
Transfers from Other Funds	1,987,324	1,924,735	1,924,735	914,757
Subtotal Current Revenues	\$ 6,281,222	\$ 5,233,461	\$ 13,764,434	\$ 5,411,093
Appropriations from Fund Balance	-	-	-	-
Total Revenues	\$ 6,281,222	\$ 5,233,461	\$ 13,764,434	\$ 5,411,093

Ballpark Fund

Interest and Rental Income	\$ 3,737	\$ 2,000	\$ 6,500	\$ 3,000
Charges for Services	225,651	215,793	215,793	244,712
Transfers from Other Funds	1,285,617	1,244,776	1,244,776	1,215,354
Subtotal Current Revenues	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066
Appropriation from Fund Balance	-	-	-	-
Total Revenues	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066

Durham Performing Arts Center Fund

Other Local Taxes	\$ 1,446,464	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Other Revenues	31,275,448	905,800	1,075,000	1,112,500
Interest and Rental Income	14,061	5,000	5,000	6,000
Operating Revenues	1,644,332	1,183,449	1,183,449	1,362,538
Subtotal Current Revenues	\$ 34,380,305	\$ 3,494,249	\$ 3,663,449	\$ 3,881,038
Appropriation from Fund Balance	-	-	-	-
Total Revenues	\$ 34,380,305	\$ 3,494,249	\$ 3,663,449	\$ 3,881,038

LEO Special Separation Fund

Charges for Current Services	\$ 1,349,158	\$ 1,604,777	\$ 1,604,777	\$ -
Interest and Rental Income	3,506	4,000	4,000	-
Subtotal Current Revenues	\$ 1,352,664	\$ 1,608,777	\$ 1,608,777	\$ -
Appropriation from Fund Balance	517,036	-	-	-
Total Revenues	\$ 1,869,700	\$ 1,608,777	\$ 1,608,777	\$ -

Cemetery Fund

Interest and Rental Income	\$ 6,401	\$ 5,000	\$ 5,000	\$ -
Subtotal Current Revenues	\$ 6,401	\$ 5,000	\$ 5,000	\$ -
Appropriations from Fund Balance	333,599	-	-	-
Total Revenues	\$ 340,000	\$ 5,000	\$ 5,000	\$ -

Other Post Employment Benefits Fund

Charges for Services	\$ 3,876,283	\$ 4,024,242	\$ 4,024,242	\$ -
Interest and Rental Income	\$ 2,241	\$ 1,000	\$ 1,000	\$ -
Contributions	597,449	538,882	538,882	-
Subtotal Current Revenues	\$ 4,475,973	\$ 4,564,124	\$ 4,564,124	\$ -
Appropriations from Fund Balance	-	-	-	-
Total Revenues	\$ 4,475,973	\$ 4,564,124	\$ 4,564,124	\$ -

Business Improvement District Fund

General Property Taxes	\$ 422,869	\$ 443,294	\$ 443,294	\$ 614,674
Transfers from Other Funds	250,000	250,000	250,000	250,000
Subtotal Current Revenues	\$ 672,869	\$ 693,294	\$ 693,294	\$ 864,674
Appropriations from Fund Balance	6	-	-	-
Total Revenues	\$ 672,875	\$ 693,294	\$ 693,294	\$ 864,674

Dedicated Housing Fund

General Property Taxes	\$ 2,462,821	\$ 2,475,547	\$ 2,475,547	\$ 2,749,320
Charges For Current Services	20,628	-	78,989	-
Subtotal Current Revenues	\$ 2,483,449	\$ 2,475,547	\$ 2,554,536	\$ 2,749,320
Appropriations from Fund Balance	-	-	1,449,559	-
Total Revenues	\$ 2,483,449	\$ 2,475,547	\$ 4,004,095	\$ 2,749,320

Emergency Telephone Surcharge Fund

Charges for Services	\$ 1,608,226	\$ 1,619,955	\$ 1,619,955	\$ 1,667,200
Interest and Rental Income	938	2,000	2,000	3,000
Transfer from Other Funds	-	-	288,945	-
Subtotal Current Revenues	\$ 1,609,164	\$ 1,621,955	\$ 1,910,900	\$ 1,670,200
Appropriations from Fund Balance	364,662	549,941	549,941	400,979
Total Revenues	\$ 1,973,826	\$ 2,171,896	\$ 2,460,841	\$ 2,071,179

Inspections Fund

Licenses and Permits	\$	-	\$	-	\$	6,381,063	\$	5,519,977
Interest and Rental Income		-		-		36,520		45,555
Subtotal Current Revenues	\$	-	\$	-	\$	6,417,583	\$	5,565,532
Appropriations from Fund Balance		-		-		-		60,471
Total Revenues	\$	-	\$	-	\$	6,417,583	\$	5,626,003

Impact Fee Fund

Operating Revenues	\$	3,287,325	\$	2,924,292	\$	3,276,329	\$	3,087,959
Interest and Rental Income		171,390		107,000		179,329		151,000
Total Revenues	\$	3,458,715	\$	3,031,292	\$	3,455,658	\$	3,238,959

Capital Facilities Fees Fund

Interest and Rental Income	\$	55,461	\$	49,000	\$	49,387	\$	50,000
Operating Revenues		4,370,092		4,535,090		4,474,527		4,405,000
Subtotal Current Revenues	\$	4,425,553	\$	4,584,090	\$	4,523,914	\$	4,455,000
Appropriation from Fund Balance		3,510,546		-		-		-
Total Revenues	\$	7,936,099	\$	4,584,090	\$	4,523,914	\$	4,455,000

Watershed Protection Fund

Charges for Services		105,868		92,000		92,000		87,000
Subtotal Current Revenues	\$	105,868	\$	92,000	\$	92,000	\$	87,000
Appropriation from Fund Balance		4,246		-		-		-
Total Revenues	\$	110,114	\$	92,000	\$	92,000	\$	87,000

Total Budget Ordinance	\$	501,912,391	\$	388,150,718	\$	415,720,592	\$	403,653,279
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**SUMMARY OF ALL REVENUES FOR ALL
FUNDS RECOGNIZED IN INTERNAL SERVICE FUND SPENDING PLANS**

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17
Risk Reduction Fund				
Interest and Rental Income	\$ 47,542	\$ 68,088	\$ 68,088	\$ 40,000
Charges for Current Services	4,983,011	4,932,803	4,932,803	5,010,994
Transfer from Other Funds	48,709	48,719	48,719	-
Subtotal Current Revenues	\$ 5,079,262	\$ 5,049,610	\$ 5,049,610	\$ 5,050,994
Appropriation from Fund Balance	-	562,343	94,679	392,436
Total Revenues	\$ 5,079,262	\$ 5,611,953	\$ 5,144,289	\$ 5,443,430
Employee Insurance Fund				
Charges for Current Services	\$ 28,374,117	\$ 29,001,619	32,260,544	31,574,333
Interest	47,937	33,000	33,000	46,000
Subtotal Current Revenues	\$ 28,422,054	\$ 29,034,619	\$ 32,293,544	\$ 31,620,333
Appropriation from Fund Balance	-	1,092,407	1,092,407	1,639,580
Total Revenues	\$ 28,422,054	\$ 30,127,026	\$ 33,385,951	\$ 33,259,913
Total Internal Service Funds	\$ 33,501,316	\$ 35,738,979	\$ 38,530,240	\$ 38,703,343

**SUMMARY OF ALL REVENUES FOR ALL
FUNDS RECOGNIZED IN MAJOR GRANT FUND ORDINANCES**

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17
Community Development	3,753,872	4,009,007	3,001,616	3,474,258
Employment and Training	2,052,086	1,747,590	1,747,590	1,847,590
Transit	4,634,932	8,297,731	8,503,597	6,509,377
Transportation Planning	1,677,633	1,986,287	1,986,287	2,715,731
Law Enforcement	1,036,173	1,532,638	806,208	1,738,408
Total Major Grant Funds	\$ 13,154,696	\$ 17,573,253	\$ 16,045,298	\$ 16,285,364
TOTAL ALL REVENUES	\$ 548,568,402	\$ 441,462,950	\$ 470,296,130	\$ 458,641,986

SUMMARY OF APPROPRIATIONS FOR ALL FUNDS

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17
Budget Ordinance				
General Fund				
Governance	\$ 5,699,804	\$ 6,410,195	\$ 6,532,883	\$ 6,353,113
Administrative and Support	14,527,976	15,346,160	15,708,324	16,258,954
Community Building	15,887,138	17,019,869	14,295,782	14,391,166
Public Safety	82,157,587	86,319,499	87,547,022	93,009,354
Public Services	50,193,662	41,852,845	44,109,175	46,835,968
Non-assigned	20,611,981	4,895,551	8,938,845	4,067,349
Total General Fund	\$ 189,078,148	\$ 171,844,119	\$ 177,132,031	\$ 180,915,904
Water & Sewer Fund				
Public Services	\$ 40,610,407	\$ 45,480,391	\$ 44,236,013	\$ 46,816,159
Administrative and Support	205,159	199,786	229,818	211,112
Non-departmental	55,349,093	43,053,533	54,194,439	47,093,148
Total Water & Sewer Fund	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419
Ballpark Fund				
Business Improvement District Fund	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066
Capital Facilities Fee Fund	673,945	693,294	693,294	864,674
Cemetery Fund	7,936,099	4,584,090	4,523,914	4,455,000
Debt Service Fund	340,000	5,000	5,000	-
Dedicated Housing Fund	93,947,405	41,245,468	41,245,468	37,357,423
Durham Performing Arts Center Fund	2,483,449	2,475,547	4,004,095	2,749,320
Emergency Telephone System Fund	4,175,305	3,494,249	3,680,839	3,881,038
Impact Fee Fund	1,973,826	2,171,896	2,460,841	2,071,179
Inspections Fund	3,458,715	3,031,292	3,455,658	3,238,959
LEO Special Allowance Fund	-	-	6,417,583	5,626,003
Other Post Employment Benefits Fund	1,869,700	1,608,777	1,608,777	-
Parking Facilities Fund	4,425,973	4,564,124	4,564,124	-
Solid Waste Disposal Fund	5,918,913	5,233,461	13,764,434	5,411,093
Stormwater Fund	22,347,048	20,893,403	20,929,003	23,384,261
Transit Fund	15,670,013	15,348,162	15,458,367	15,548,776
Watershed Protection Fund	19,207,835	20,669,557	20,557,628	22,479,164
Total Budget Ordinance	\$ 471,296,153	\$ 388,150,718	\$ 420,720,395	\$ 403,653,279
Internal Service Funds				
Employee Insurance Fund	28,422,054	30,127,026	33,385,951	33,259,913
Risk Reduction Fund	\$ 5,079,262	\$ 5,611,953	\$ 5,144,289	\$ 5,443,430
Total Internal Services Funds	\$ 33,501,316	\$ 35,738,979	\$ 38,530,240	\$ 38,703,343
Major Grant Funds				
Community Development	\$ 3,753,872	\$ 4,009,007	\$ 3,001,616	\$ 3,474,258
Employment and Training	2,052,086	1,747,590	1,747,590	1,847,590
Public Safety	1,036,173	1,532,638	806,208	1,738,408
Transit	4,634,932	8,297,731	8,503,597	6,509,377
Transportation Planning	1,677,633	1,986,287	1,986,287	2,715,731
Total Major Grant Funds	\$ 13,154,696	\$ 17,573,253	\$ 16,045,298	\$ 16,285,364
Subtotal All Funds	\$ 517,952,165	\$ 441,462,950	\$ 475,295,933	\$ 458,641,986
Less: Intrabudget Transfers	(18,091,438)	(3,869,259)	(3,869,259)	(2,579,288)
Less: Internal Service Charges	(8,866,404)	(8,957,045)	(8,957,045)	(9,308,766)
Total All Funds	\$ 490,994,323	\$ 428,636,646	\$ 462,469,629	\$ 446,753,932

ALL FY 2016-17 OPERATING FUNDS BY APPROPRIATION CATEGORY

	Personal Services	Operating	Capital Outlay	Debt Service	Transfers to Other Funds	Other	Total
Budget Ordinance							
General Fund	\$ 140,412,292	\$ 34,128,723	\$ 872,990	-	\$ 5,152,856	\$ 349,043	\$ 180,915,904
Water & Sewer Fund	26,676,099	27,085,673	218,000	10,198,338	22,911,502	7,030,807	94,120,419
Debt Service Fund	-	393,957	-	29,097,853	3,079,221	4,786,392	37,357,423
Solid Waste Disposal Fund	6,823,460	12,142,515	75,130	4,260,951	3,818	78,387	23,384,261
Stormwater Fund	7,215,998	3,060,162	-	-	2,516,608	2,756,008	15,548,776
Transit Fund	-	18,606,554	491,154	198,821	1,668,293	1,514,342	22,479,164
Parking Facilities Fund	224,757	3,352,531	105,500	1,111,276	-	617,029	5,411,093
Ballpark Fund	-	42,022	-	1,273,414	130,018	17,612	1,463,066
Durham Performing Arts Center	-	297,416	748,775	2,230,989	-	603,858	3,881,038
LEO Special Allowance	-	-	-	-	-	-	-
Cemetery Fund	-	-	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-	-	-
Business Improvement District	-	659,650	-	-	90,130	114,894	864,674
Dedicated Housing Fund	-	663,372	76,220	-	-	2,009,728	2,749,320
Emergency Telephone Fund	254,182	1,816,997	-	-	-	-	2,071,179
Inspections Fund	3,782,275	1,288,728	-	-	555,000	-	5,626,003
Impact Fee Fund	-	-	-	-	-	3,238,959	3,238,959
Capital Facilities Fee Fund	-	-	-	-	4,455,000	-	4,455,000
Watershed Protection Fund	-	-	-	-	87,000	-	87,000
Total Budget Ordinance	\$ 185,389,063	\$ 103,538,300	\$ 2,587,769	\$ 48,371,642	\$ 40,649,446	\$ 23,117,059	\$ 403,653,279
Internal Service Funds							
Risk Retention Fund	\$ 477,942	\$ 4,965,488	\$ -	\$ -	\$ -	\$ -	\$ 5,443,430
Employee Insurance Fund	546,209	32,713,704	-	-	-	-	33,259,913
Total Internal Service Funds	\$ 1,024,151	\$ 37,679,192	\$ -	\$ -	\$ -	\$ -	\$ 38,703,343
Grant Project Ordinances							
Community Development Grants	\$ 576,733	\$ 2,897,525	\$ -	\$ -	\$ -	\$ -	\$ 3,474,258
Employment and Training	505,330	1,342,260	-	-	-	-	1,847,590
Transit Grants	171,413	4,049,242	2,288,722	-	-	-	6,509,377
Transportation Planning	1,190,000	1,525,731	-	-	-	-	2,715,731
Public Safety	1,738,408	-	-	-	-	-	1,738,408
Total Grant Proj Ordinances	\$ 4,181,884	\$ 9,814,758	\$ 2,288,722	\$ -	\$ -	\$ -	\$ 16,285,364
Total - All Funds	\$ 190,595,098	\$ 151,032,250	\$ 4,876,491	\$ 48,371,642	\$ 40,649,446	\$ 23,117,059	\$ 458,641,986

INTRABUDGET TRANSFERS

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
To Operating Budget Funds					
To Ballpark Fund					
From General Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
From Debt Service Fund	1,235,617	1,194,776	1,194,776	1,165,354	-2.5%
Subtotal	\$ 1,285,617	\$ 1,244,776	\$ 1,244,776	\$ 1,215,354	-2.4%
To Solid Waste Fund					
From General Fund	\$ 9,630,134	\$ -	\$ -	\$ -	0.0%
From Debt Service Fund	4,182,847	-	-	-	0.0%
From BID Fund	15,000	15,000	15,000	90,130	500.9%
Subtotal	\$ 13,827,981	\$ 15,000	\$ 15,000	\$ 90,130	500.9%
To Parking Fund					
From Debt Service Fund	\$ 1,987,324	\$ 1,924,735	\$ 1,924,735	\$ 914,757	-52.5%
To BID Fund					
From General Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	0.0%
To Water and Sewer Fund					
From General Fund	\$ 287,635	\$ 276,982	\$ 276,982	\$ -	-100.0%
To Stormwater Fund					
From Water and Sewer Fund	\$ 123,000	\$ -	\$ -	\$ -	0.0%
From Transit Fund	109,047	109,047	109,047	109,047	0.0%
Subtotal	\$ 232,047	\$ 109,047	\$ 109,047	\$ 109,047	0.0%
To Debt Service Fund					
From General Fund	\$ 172,125	\$ -	\$ -	\$ -	0.0%
To Other Post Employment Fund					
Charges for Services General Fund	\$ 3,093,202	\$ 3,204,857	\$ 3,204,857	\$ 3,236,222	1.0%
Charges for Services Other Funds	790,191	819,385	819,385	1,061,550	29.6%
Subtotal	\$ 3,883,393	\$ 4,024,242	\$ 4,024,242	\$ 4,297,772	6.8%
To Risk Retention Fund					
From General Fund	\$ 48,709	\$ 48,719	\$ 48,719	\$ -	-100.0%
Charges for Services General Fund	3,202,497	3,291,717	3,291,717	3,286,656	-0.2%
Charges for Services Other Funds	1,780,514	1,641,086	1,641,086	1,724,338	5.1%
Subtotal	\$ 5,031,720	\$ 4,981,522	\$ 4,981,522	\$ 5,010,994	0.6%
From the General Fund - Transfers	\$ 10,438,603	\$ 625,701	\$ 625,701	\$ 300,000	-52.1%
From Other Funds - Transfers	\$ 7,652,835	\$ 3,243,558	\$ 3,243,558	\$ 2,279,288	-29.7%
Internal Service Charges - General Fund	\$ 6,295,699	\$ 6,496,574	\$ 6,496,574	\$ 6,522,878	0.4%
Internal Service Charges - Other Funds	\$ 2,570,705	\$ 2,460,471	\$ 2,460,471	\$ 2,785,888	13.2%
Total Intrabudget Transfers	\$ 26,957,842	\$ 12,826,304	\$ 12,826,304	\$ 11,888,054	-7.3%

PROPERTY TAX BASE INFORMATION

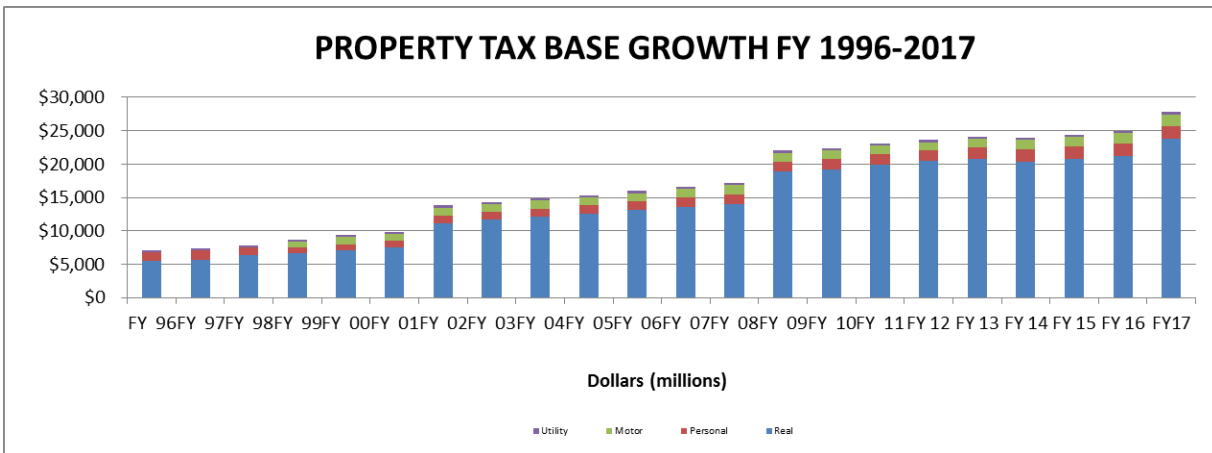
Tax Base Components:

Real Property is comprised of all land and buildings that are taxable. An increase of 12.17% is projected when compared with the FY 2015-16 budget. An increase of 8.72% is projected based on FY 2016-17 end of year projections. The assessed value data is obtained from the County Tax Assessor's Office. Real property makes up over 85.5% of the tax base for FY 2016-17.

Personal Property is comprised of property located in businesses. Based on data from the County Tax Assessor's office, changes at the State level to tax policy, and recent trends, an increase of 1.48% is projected for FY 2016-17. Personal property makes up over 6.9% of the tax base for FY 2016-17.

Motor Vehicle is comprised of items such as automobiles, boats, trailers and equipment. We project an increase of 9.35% in value for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up over 6% of the tax base for FY 2016-17.

Public Utility Property is a state-certified value consisting of businesses such as electric utility, telephone, railroad and trucking companies. Based on data from the County Tax Assessor's office an increase of 10.94% is projected for FY 2016-17. Public utility property makes up over 1.2% of the tax base in FY 2016-17.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 2006-07. Property is reassessed every eight years. The last revaluation was completed recently effective with the 2016-17 fiscal year. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 07	13,583	3.80%	1,408	4.53%	1,343	10.81%	279	-13.08%
FY 08	14,060	3.51%	1,450	2.98%	1,343	0.00%	279	0.00%
FY 09	18,915	34.53%	1,443	-0.48%	1,343	0.00%	326	16.85%
FY 10	19,241	1.72%	1,525	5.68%	1,331	-0.89%	300	-7.98%
FY 11	19,886	3.35%	1,555	1.97%	1,358	2.03%	342	14.00%
FY 12	20,457	2.87%	1,607	3.34%	1,230	-9.43%	323	-5.56%
FY 13	20,839	1.87%	1,605	-0.12%	1,315	6.91%	300	-7.12%
FY 14	20,391	-2.15%	1,850	15.26%	1,449	10.19%	323	7.67%
FY 15	20,840	2.20%	1,785	-3.51%	1,493	3.04%	300	-7.12%
FY 16	21,179	1.63%	1,890	5.88%	1,583	6.03%	329	9.67%
FY 17	23,756	12.17%	1,918	1.48%	1,731	9.35%	365	10.94%

TAX RATE AND ESTIMATED TAX COLLECTIONS

	Actual FY2014-15	Adopted FY2015-16	Estimated FY2015-16	Proposed FY2016-17
Assessed Value				
Real Property	\$ 20,739,931,060	\$ 21,178,526,651	\$ 21,652,038,028	\$ 23,755,832,941
Personal Property	3,473,065,197	1,889,907,192	1,874,378,953	1,918,088,896
Motor Vehicles	-	1,583,158,005	1,660,000,000	1,731,637,618
Public Utility Property	328,702,858	328,702,585	358,719,060	365,354,263
Assessed Valuation	\$ 24,541,699,115	\$ 24,980,294,433	\$ 25,545,136,041	\$ 27,770,913,718
Tax Rate Per \$100 Valuation				
General Fund	\$ 0.3843	\$ 0.3538	\$ 0.3538	\$ 0.3181
Dedicated Housing	0.0100	0.0100	0.0100	0.0100
Transit Fund	0.0387	0.0387	0.0387	0.0411
Solid Waste Fund	-	0.0585	0.0585	0.0613
Debt Reserve Fund	0.1582	0.1302	0.1302	0.1302
Total Tax Rate	\$ 0.5912	\$ 0.5912	\$ 0.5912	\$ 0.5607
Tax Levy	\$ 132,827,151	\$ 147,683,501	\$ 151,022,844	\$ 155,711,513
Less: Uncollected Taxes	(955,507)	(1,329,152)	(2,265,343)	(1,557,115)
Estimated Collectable Levy	\$ 131,871,644	\$ 146,354,349	\$ 148,757,501	\$ 154,154,398
Less: Discounts	-	-	-	-
Estimated Collections	\$ 131,871,644	\$ 146,354,349	\$ 148,757,501	\$ 154,154,398
Appropriated to:				
General Fund	\$ 88,397,293	\$ 87,584,859	\$ 89,023,011	\$ 87,455,884
Dedicated Housing Fund	2,370,786	2,475,547	2,516,196	2,749,320
Transit Fund	8,889,720	9,580,368	9,737,678	11,299,707
Solid Waste Fund	-	14,481,951	14,719,746	16,853,334
Debt Reserve fund	36,339,893	32,231,624	32,760,871	35,796,152
*one cent equals	\$ 2,230,576	\$ 2,475,547	\$ 2,516,196	\$ 2,749,320

The FY 2016-2017 proposed tax rate is 56.07 cents per \$100 of assessed value. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is 54.41 cents. The proposed property tax rate of 56.07 cents per \$100 for FY2016-17 represents a 4.71 cent increase from the revenue neutral rate and 3.05 cent decrease from the FY15-16 property tax rate of 59.12. The tax levy is the product of the tax rate and the assessed valuation divided by 100. The budget for current property taxes is based on the amount of estimated property tax collections. The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2016-17 the amount of uncollected taxes is equal to 1% of the tax levy. Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

FUND BALANCE

Why is the level of Fund Balance important to the City?

It is important to maintain fund balance in the major operating funds at a level that would be sufficient to provide a financial cushion in the event of unanticipated events, such as a loss or major reduction of a revenue source, a sudden economic downturn, or natural disasters.

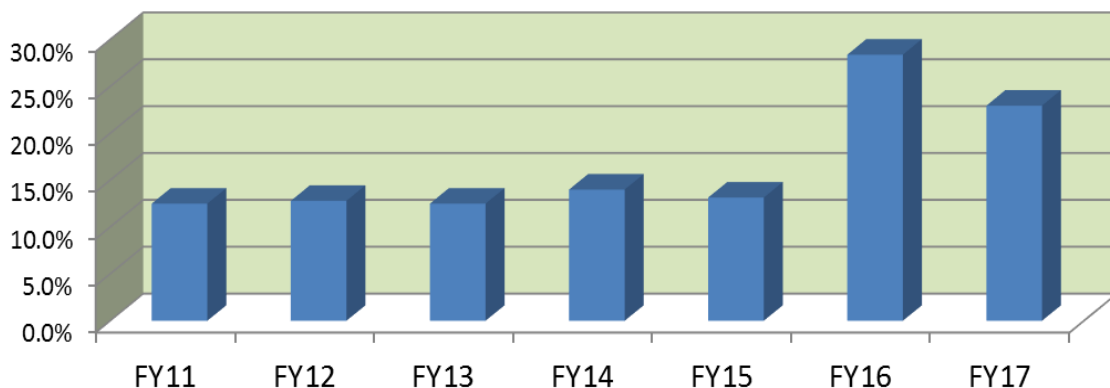
For the General Fund, the North Carolina Local Government Commission (NCLGC) strongly recommends an unreserved fund balance of 8% of prior year's total budget appropriations. The NCLGC defines fund balance in a prescribed manner that is not exactly the same as the CAFR unrestricted fund balance. The City calculates fund balance on the total of the General Fund next year budget appropriation, minus appropriations for debt service and transfers to other funds. The two calculations are, therefore, not directly comparable. Bond rating agencies regard the level of fund balance in the General Fund as one indicator of credit worthiness when considering bond ratings.

For the General Fund, appropriations from fund balance are generally subject to a City Council policy that limits such appropriations to the equivalent of four cents on the tax rate over the two-year budget cycle. The City's current policy is to maintain Unassigned Fund Balance in an amount no less than the greater of 12% of the current year's originally adopted Adjusted Budgeted Expenditures, or the amount required by the NCLGC. For FY 2016-17 the adopted fund balance of 28.40% is a result of estimations of general fund budgets being returned to fund balance. The actual Undesignated Fund Balance will be determined following the annual audit of revenues and expenditures for FY 2015-16. The City does not have a Fund Balance policy for the Enterprise and Special Revenue Funds; however financial prudence dictates that these funds should also maintain a reasonable level of Net Cash Assets to cover unanticipated costs.

Estimated Change In Unrestricted Fund Balance – General Fund

	Fund Balance Amount	Percent of Adjusted Appropriations
Total unrestricted fund balance available for appropriation at June 30, 2015	\$ 42,586,806	
Minus: appropriation from Fund Balance for subsequent year's expenditures	1,609,621	
Minus: designated for subsequent year's expenditures	-	
Total unrestricted fund balance at June 30, 2016	\$ 44,196,427	
Add: Estimated Addition/(Reduction) during FY 2015	-	
Total unrestricted fund balance available for appropriation at June 30, 2015	\$ 44,196,427	
Minus: designated for subsequent year's expenditures	3,885,617	
Add: Estimated FY16 General Fund budgets returned to Fund Balance	(682,044)	
Minus: appropriation from fund balance for subsequent year's expenditures	-	
Total unrestricted fund balance at June 30, 2016	\$ 47,400,000	28.40%

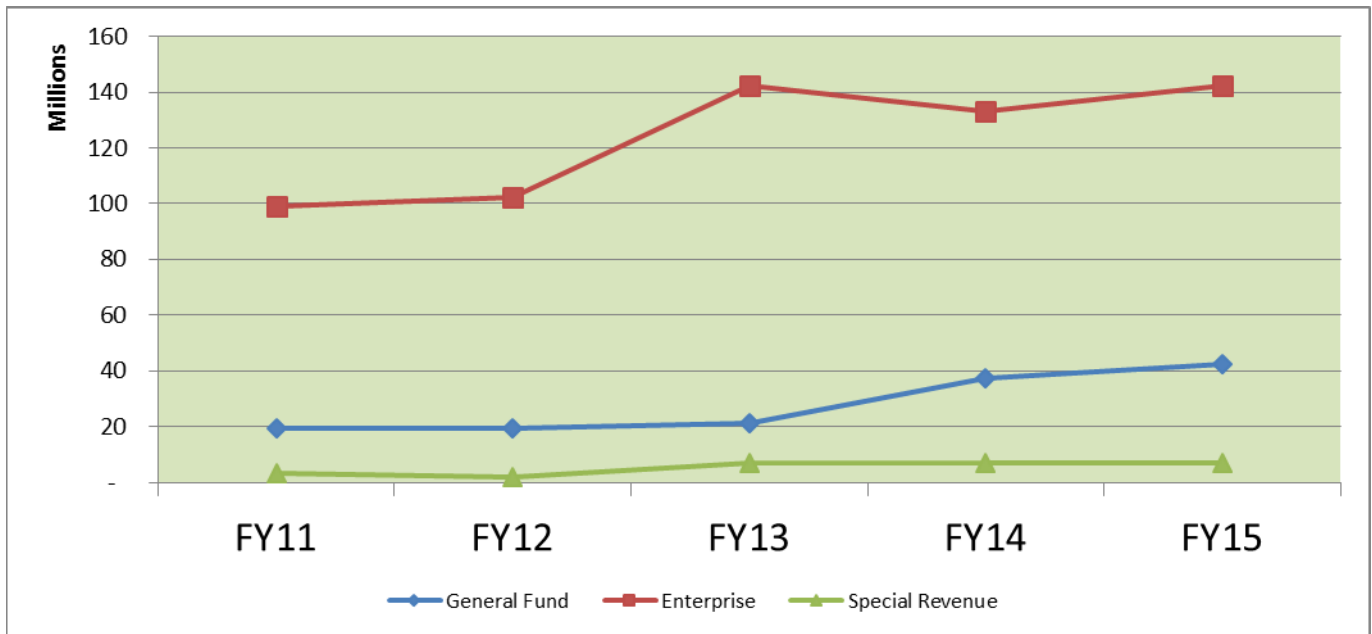
General Fund - Fund Balance as a Percent of Adopted Budget



Estimated Changes in Fund Balance – Appropriated Funds

	General Fund Unrestricted	Enterprise Funds (*)	Special Revenue Funds (*)
Estimated Beginning Balance FY 16	\$ 47,400,000	\$ 142,550,746	\$ 7,128,041
Budget Revenues FY 17	173,873,979	160,077,491	11,578,220
Budgeted Expenditures FY 17	(175,763,048)	(123,162,355)	(11,023,220)
Transfers In	-	2,329,288	461,450
Transfers Out	(5,152,856)	(39,244,424)	(603,858)
Estimated Ending Balance FY 17	<u>\$ 40,358,076</u>	<u>\$ 142,550,746</u>	<u>\$ 7,540,633</u>
Percent of Adjusted Appropriations	22.96%	134%	92%

Historical Fund Balance



(*) Note: Transfers to specific capital project funds will impact the fund balance of Enterprise and Special Revenue Funds. Enterprise fund balance is not inclusive of enterprise funds in capital project accounts.

FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2015-16 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.
- **Debt Service Fund** – accounts for General Fund related debt service.
- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.

These funds include:

- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Management Fund
- Transit Fund
- Parking Facilities Fund
- Ballpark Fund
- Durham Performing Arts Center Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.

These funds include:

- Law Enforcement Officers' Separation Allowance Fund
- Cemetery Fund
- Other Post Employment Benefits Fund

- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.

These funds include:

- Business Improvement District Fund
- Dedicated Housing Fund
- Emergency Telephone System Surcharge Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.

These funds include:

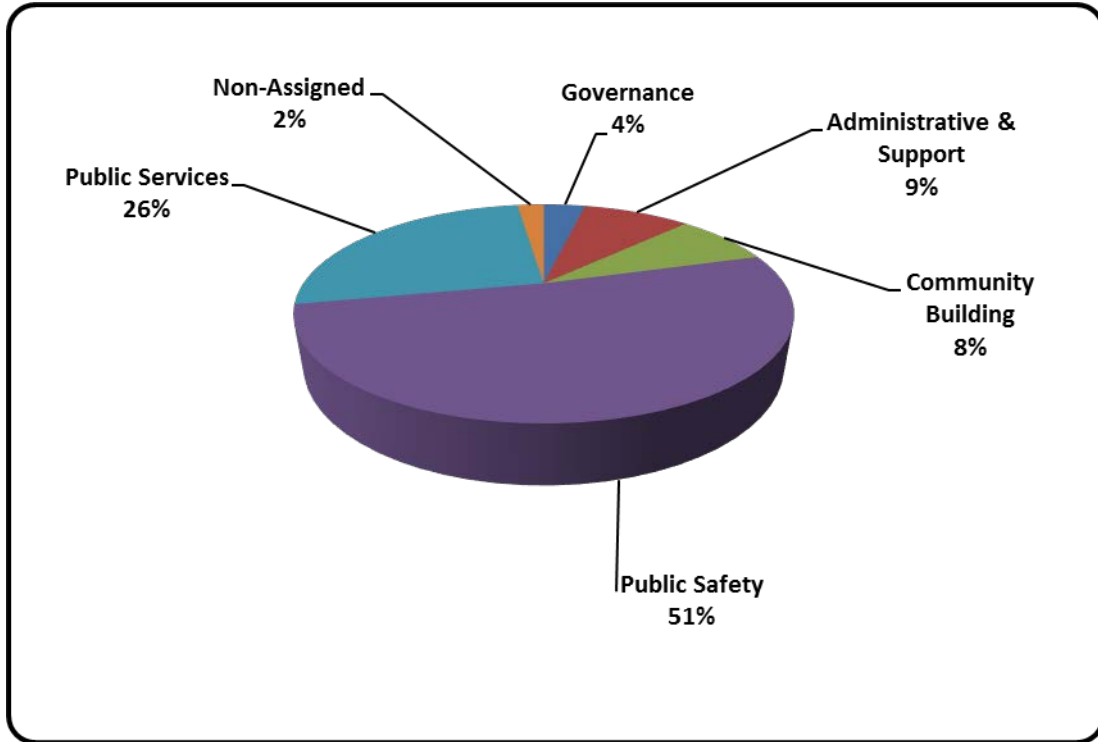
- General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
- Impact Fee Fund
- Water and Sewer Capital Facilities Fees Fund
- Watershed Protection Fund

- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to section IV (Budget Summaries) for information on Internal Service Funds. These funds include:

- Risk Reduction Fund
- Employee Insurance Fund

GENERAL FUND SUMMARY

Appropriations by Function



GENERAL FUND SUMMARY

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
General Property Taxes	\$ 95,452,854	\$ 89,197,999	\$ 89,659,673	\$ 88,713,260	-0.5%
Other Local Taxes	58,986,911	53,372,090	59,606,811	61,367,263	15.0%
State-Shared Revenues	15,688,249	11,881,736	11,571,231	12,008,581	1.1%
Licenses and Permits	8,972,601	4,408,736	811,591	1,379,204	-68.7%
Investment/Rental Income	173,616	126,272	124,272	122,612	-2.9%
Charges for Current Services	7,321,321	7,080,356	6,817,905	7,544,169	6.6%
Intragovernmental Services	1,721,964	1,822,778	1,838,778	1,946,930	6.8%
Other Revenues	677,632	730,847	1,056,436	791,960	8.4%
Transfer from Other Funds	83,000	-	-	-	0.0%
Approp From Fund Balance	-	3,223,305	5,645,335	7,041,925	118.5%
Total Revenues	\$ 189,078,148	\$ 171,844,119	\$ 177,132,032	\$ 180,915,904	5.3%
Appropriations					
Personal Services	\$ 126,911,616	\$ 134,224,064	\$ 130,615,695	\$ 140,412,292	4.6%
Operating	28,652,356	31,767,630	35,507,260	34,128,723	7.4%
Capital Outlay	1,449,887	755,215	1,042,187	872,990	15.6%
Debt Service	24,173	-	-	-	0.0%
Other	-	159,162	53,076	349,043	119.3%
Transfers to Other Funds	12,777,355	4,938,048	4,931,400	5,152,856	4.4%
Transfers to Fund Balance	19,262,761	-	4,982,414	-	0.0%
Total Appropriations	\$ 189,078,148	\$ 171,844,119	\$ 177,132,032	\$ 180,915,904	5.3%
Appropriations by Function					
Governance	\$ 5,699,804	\$ 6,410,195	\$ 6,532,883	\$ 6,353,113	-0.9%
Administrative and Support	14,527,976	15,346,160	15,708,324	16,258,954	5.9%
Community Building	15,887,138	17,019,869	14,295,782	14,391,166	-15.4%
Public Safety	82,157,587	86,319,499	87,547,022	93,009,354	7.8%
Public Services	50,193,662	41,852,845	44,109,175	46,835,968	11.9%
Non-assigned	20,611,981	4,895,551	8,938,845	4,067,349	-16.9%
Total Appropriations	\$ 189,078,148	\$ 171,844,119	\$ 177,132,031	\$ 180,915,904	5.3%

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

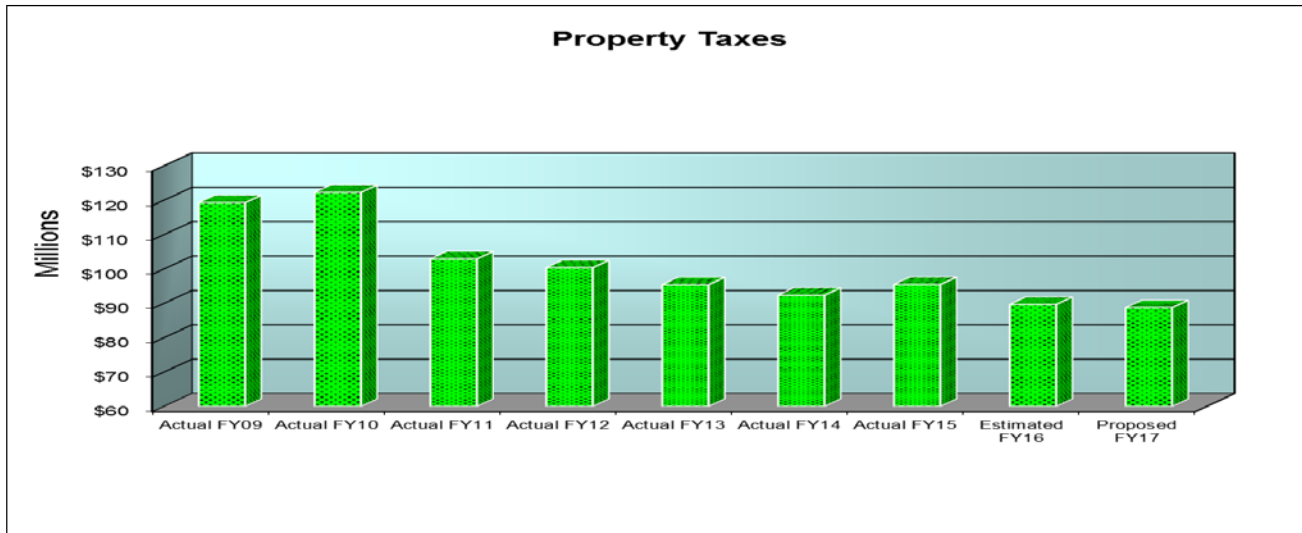
- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

General Fund – Discretionary Revenues

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
General Property Taxes					
Current Levy	\$ 94,766,418	\$ 87,584,859	\$ 89,014,673	\$ 87,455,884	-0.1%
Prior Years Levy	646,855	1,100,000	650,000	800,000	-27.3%
Interest & Penalties	39,581	513,140	(5,000)	457,376	-10.9%
Subtotal	\$ 95,452,854	\$ 89,197,999	\$ 89,659,673	\$ 88,713,260	-0.5%
Other Local Taxes					
Local Option Sales Tax	\$ 56,632,348	\$ 50,925,492	\$ 56,900,000	\$ 58,614,481	15.1%
Heavy Equipment	99,597	85,000	98,587	85,000	0.0%
Rental Car Gross Receipts	252,579	228,915	252,578	228,915	0.0%
Hotel/Motel Occupancy Tax	2,002,387	2,132,683	2,355,646	2,438,867	14.4%
Subtotal	\$ 58,986,911	\$ 53,372,090	\$ 59,606,811	\$ 61,367,263	15.0%
Licenses					
Business & Professional Licenses	\$ 3,361,052	\$ 12,000	\$ 12,000	\$ 18,000	50.0%
Subtotal	\$ 3,361,052	\$ 12,000	\$ 12,000	\$ 18,000	50.0%
Intergovernmental Revenues					
Utility Franchise Tax	\$ 7,719,933	\$ 4,400,000	\$ 4,066,022	\$ 4,488,000	2.0%
Gasoline Tax (Powell Bill)	6,153,633	6,133,143	6,133,143	6,133,143	0.0%
Beer & Wine Tax	1,150,248	1,128,940	1,128,940	1,163,902	3.1%
Alcoholic Beverage Control	200,000	150,000	173,473	200,000	33.3%
Subtotal	\$ 15,223,814	\$ 11,812,083	\$ 11,501,578	\$ 11,985,045	1.5%
Other Major Revenue					
Sale Of Surplus Equipment	\$ 501,130	\$ 400,000	\$ 400,000	\$ 700,000	75.0%
Street Assessments	49,471	50,000	50,000	25,000	-50.0%
Subtotal	\$ 550,601	\$ 450,000	\$ 450,000	\$ 725,000	61.1%
Appropriations From Fund Balance	\$ -	\$ 3,223,305	\$ 5,645,335	\$ 7,041,925	118.5%
Total Revenues	\$ 173,575,232	\$ 158,067,477	\$ 166,875,397	\$ 169,850,493	245.5%

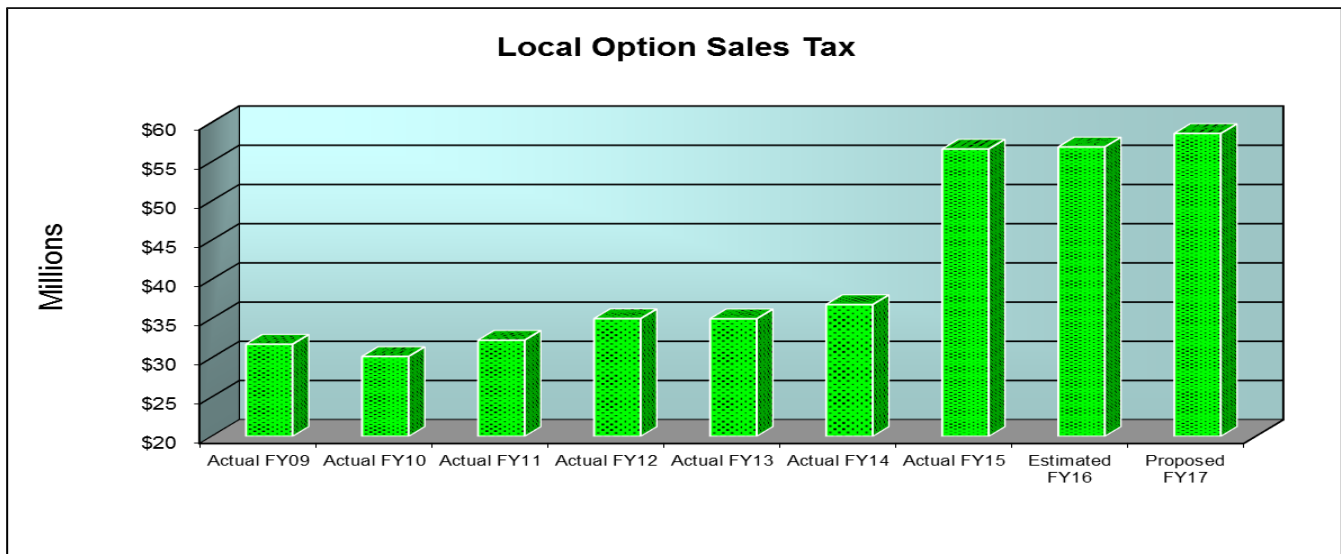
General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES



The FY2016-17 budget proposes a tax rate of 56.07 cents per \$100 of assessed valuation, a decrease of 3.05 cents from the FY 2015-16 rate, but an increase of 1.66 cents from the post-appraisal, revenue neutral rate of 54.41 cents. This chart shows the portion of the rate dedicated to the General Fund. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, whose office bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division. The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, and began collections on April 1st, 2013. The sales tax rate of 7.50 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. The 2014 North Carolina General Assembly enacted significant changes to sales tax statutes, expanding the items for which sales tax is levied. The State retains 4.25 cents for retail (0.00 cents in the case of food sales) and returns on average 2.5 cents to local governments. The sales tax is an important revenue source for the City, representing nearly 34% of the projected General Fund revenues for FY 2016-17.

The State's elimination of the electrical and gas franchise tax, replacing it with sales tax, contributed to the large increase in sales tax revenues from FY 2013-14 to FY 2015-16. According to fiscal analysts at the General Assembly, sales tax revenues for FY 2016-17 are projected to increase to 15.1% above the FY 2015-2016 budget. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44, the conversion of Article 42 to a point of sale distribution, and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 39 and Article 40 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 15.1% increase in FY 2016-17 based on the interlocal with Durham County, and growth in gas and electric sales tax revenue. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. The current distribution ratio is 42% for the City and 58% for the County. This current agreement will remain in effect for five years from July 1, 2013 through June 30th, 2018.

Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is for the Durham Performing Arts Center. The FY 2016-17 budget projects Occupancy tax to be 14.4% higher than the FY 2015-16 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

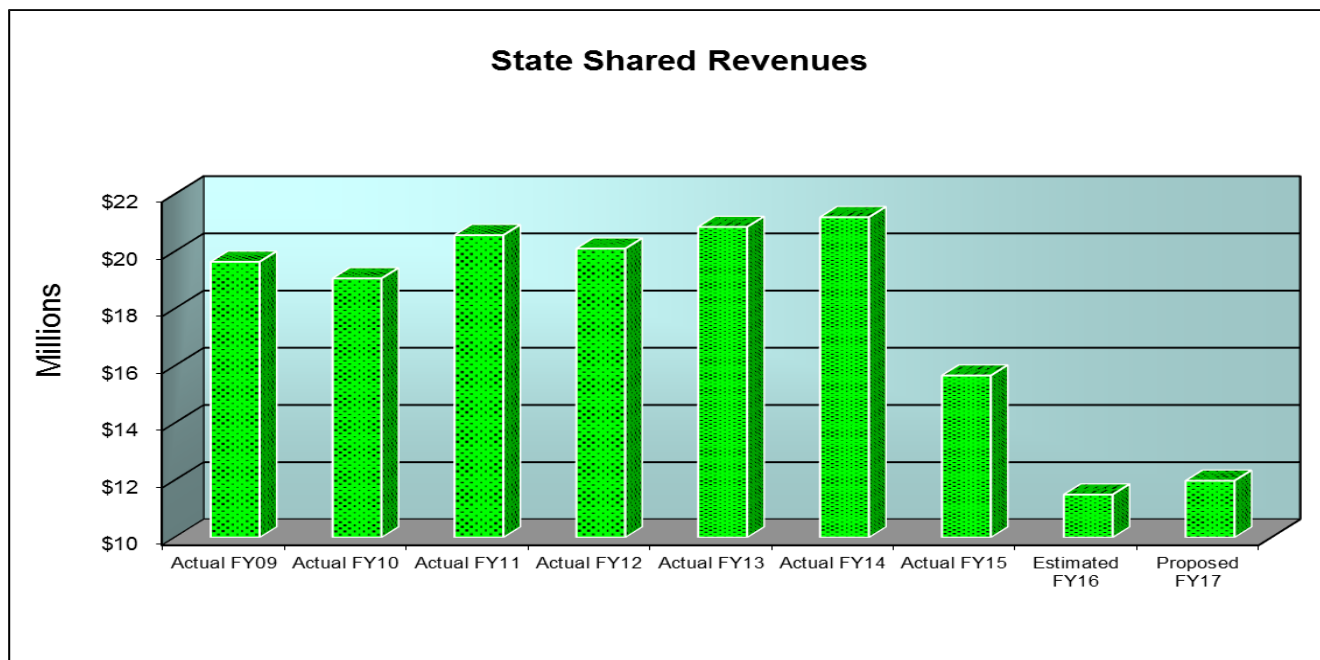
LICENSES AND PERMITS

Business Licenses - Businesses were assessed a fee for the privilege of doing business in the City. The North Carolina General Assembly abolished the ability for cities to charge this fee. The FY 2016-17 budget has a small amount just related to beer and wine licenses.

Fiber Optic Revenue – Corporations installing high speed Internet lines within City limits are charged permitting fees based upon the length of installation, to achieve 50% cost recovery for costs associated with the inspection of installation.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.



State Shared Revenues

- ❖ **Utility Franchise Tax** – In its 2014 session, the General Assembly replaced the utility franchise tax on gas and electric to a sales tax. Fiscal Year 2014-15 marked the first year of a new distribution method for both of these revenue sources. As of the current fiscal year, the general sales tax rate was applied to the sale of both electricity and natural gas, and a percentage of the proceeds were to be returned to cities and towns. In the case of electricity, that percentage is 44 percent. That number was chosen with the intention that every municipality could receive the same amount of electricity franchise tax revenues that they received in Fiscal Year 2013-14.
- ❖ **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2016-17, the City projects very little change compared to FY 2015-16. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.
- ❖ **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2016-17, the City projects a 3.1% increase compared to FY 2015-16.
- ❖ **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2016-17 budget projects this revenue will increase by 33.3% as compared to FY 2015-16.

INVESTMENT

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2016-17 it is proposed that all investment income derived from the General Fund, be added directly to the Capital Improvement Plan (CIP) budget.

OTHER MAJOR REVENUE

This category is used to record those revenues that are miscellaneous in nature.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2016-17 budget projects a 75.0% increase in sales of surplus equipment due to anticipated sales of surplus vehicles.

Street Assessments – The City bills for street assessments. The FY2016-17 budget projects a 50% decrease from what was budgeted in FY2015-16.

APPROPRIATION FROM FUND BALANCE

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2017) excess funds will be returned to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2015-16 financial audit. For FY 2016-17, there is a transfer from fund balance proposed in the amount of \$7,041,925 to fund one-time expenditures. If funds from FY 2015-16 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 28.40%.

General Fund – Program Revenues

LICENSES AND PERMITS

Public Safety

Fire:

Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

Community Building

City/County Planning:

Sign Permits - Revenue generated from the issuance of sign permits.

Public Services

Public Works:

Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

Transportation:

Taxicab Inspection Fees - Revenue from inspecting taxicabs and shuttles for permits.

CHARGES FOR CURRENT SERVICES

Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (ie: services provided under an interlocal agreement) are also included in this category.

Governance

City Clerk:

Revenues from the sale of City Code supplements and copies of public records.

Public Safety

Police:

Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from \$3.00 to \$10.00 per tow to cover the costs of police officers associated with this program.

Fire:

Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment. In addition, Duke University makes an annual payment to the City of Durham for fire protection services based on the same principle used by the State of North Carolina.

Fire Inspections Fees – In 1991 the State of North Carolina began mandating all municipalities conduct fire inspections in accordance with the NC Fire Code. A fee structure was established based on the type of inspection or permit required, and it was last updated in FY 2012-13. Inspection fees and permits for hazardous materials, fireworks, tents, tank removal and construction are included in this revenue.

Community Building

Office of Economic and Workforce Development:

Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

Administrative and Support

Finance:

Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

Technology Solutions:

GIS Sales - Revenue generated from public map and data requests.

Public Services

General Services:

Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave plots at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to residents who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

Public Works:

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

Parks and Recreation:

Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

Transportation:

Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

INTERGOVERNMENTAL SERVICES

This section is used to record those revenues associated with services provided by the City to another local governmental entity or agency through interlocal agreements.

Governance

City Manager's Office:

Durham County – Durham County pays \$8,800 each year for the airing of County programming on DTV8.

Administrative and Support

Technology Solutions:

Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year, after offsetting revenue received for GIS data sales. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1st, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7th, 2000.

Durham County Open Data Service—The City is responsible for the management and publishing of data sets for the City-County Open Data project. Durham County reimburses the City 50% of Open Data operating costs, which includes web hosting software and contracted staff.

Community Building

City / County Planning:

Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, annexations, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2014-15, the City and County are each projected to fund 50% of the Planning budget with no positions solely funded by either entity. However, the interlocal agreement is scheduled for re-adoption during the course of the upcoming fiscal year and there continues to be discussion whether the funding split needs to be restructured.

Public Protection

Emergency Communications:

Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios for Durham County and North Carolina Central University.

Public Services

General Services:

Durham County – Durham County provides \$16,000 of financial support to the Keep Durham Beautiful program.

Fleet Management:

Durham County – Durham County provides \$12,000 for the repair of county fire trucks.

Transportation:

Durham County – Durham County pays for 12.5% of the Bicycle and Pedestrian Coordinator's personnel costs to cover support of the Bicycle and Pedestrian Advisory Committee (BPAC).

General Fund – Non-Departmental Appropriations

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Personal Services					
Severance Payments	\$ -	\$ 38,625	\$ 20,000	\$ 25,000	-35.3%
Other Employee Benefits	-	1,713,243	1,713,243	2,242,163	30.9%
Health Insurance - Retirees	3,093,202	3,204,857	3,204,857	3,236,222	1.0%
Subtotal	\$ 3,093,202	\$ 4,956,725	\$ 4,938,100	\$ 5,503,385	11.0%
Operating					
Risk Management Charges	\$ 3,202,797	\$ 3,291,717	\$ 3,291,717	\$ 3,286,656	-0.2%
Donations	-	40,000	-	40,000	0.0%
Indirect Cost Reimbursements	(7,785,417)	(7,928,349)	(8,808,844)	(9,587,692)	20.9%
Other Operating Costs / Savings	25,530	-	-	-	0.0%
Subtotal	\$ (4,557,090)	\$ (4,596,632)	\$ (5,517,127)	\$ (6,261,036)	36.2%
Transfer to Other Funds					
Transfer to Debt Service Fund	\$ 172,125	\$ -	\$ -	\$ -	0.0%
Transfer to Water and Sewer Fund	287,635	276,982	276,982	-	-100.0%
Transfer to BID	250,000	250,000	250,000	250,000	0.0%
Transfer to Capital Projects Fund	2,007,175	2,000,000	2,000,000	4,575,000	128.8%
Transfers Other	72,000	2,008,476	2,008,476	-	-100.0%
Subtotal	\$ 2,788,935	\$ 4,535,458	\$ 4,535,458	\$ 4,825,000	6.4%
Debt Service					
Cost of Servicing	\$ 24,173	\$ -	\$ -	\$ -	0.0%
Subtotal	\$ 24,173	\$ -	\$ -	\$ -	0.0%
Total Nondepartmental	\$ 1,349,220	\$ 4,895,551	\$ 3,956,431	\$ 4,067,349	-16.9%

PERSONAL SERVICES

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.

Other Employee Benefits – This is primarily used to put placeholders in for expected benefit changes and pay for performance increases for the upcoming year.

Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.

Donations – Reserve for small miscellaneous donations.

Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.

Other Operating Costs / Savings – Anticipated costs or savings associated with technology initiatives (FY15).

TRANSFERS TO OTHER FUNDS

Transfer to Debt Service Fund – Transfers related to a 9th Street economic development project in FY 15.

Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.

Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.

Transfer to Capital Projects Fund – Transfers related to capital expenditures for street maintenance and police vehicles.

Transfer Other – Transfer to the Water Capital Construction fund to repay a loan for a technology project, and a transfer to the Failed Developments capital project.

DEBT SERVICE

Cost of Servicing – Operating costs from the sale of debt, moved to the Finance Department for FY 16.

Please refer to the Debt Management section of this document (Section XI) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
General Property Taxes	\$ 38,961,787	\$ 32,231,624	\$ 32,231,624	\$ 35,796,152	11.1%
Interest	50,663	-	-	-	0.0%
Other Revenue	827,461	635,637	635,637	622,013	-2.1%
Transfers from Other Funds	172,125	-	-	-	0.0%
Bond Refunding	51,230,760	6,000,000	6,000,000	-	-100.0%
Intergovernmental	2,197,450	1,217,222	1,217,222	939,258	-22.8%
Appropriation from Fund Balance	507,159	1,160,985	1,160,985	-	-100.0%
Total Revenues	\$ 93,947,405	\$ 41,245,468	\$ 41,245,468	\$ 37,357,423	-9.4%
Appropriations					
Debt Service Principal	\$ 25,766,384	27,872,849	\$ 27,872,849	20,727,117	-25.6%
Debt Service Interest	9,506,932	8,982,444	8,982,444	8,370,736	-6.8%
Bond Refunding	50,827,988	-	-	-	0.0%
Tax Collection Fee	440,313	370,664	370,664	393,957	6.3%
Transfer to Other Funds	7,405,788	4,019,511	4,019,511	3,079,221	-23.4%
Transfer to Fund Balance	-	-	-	4,786,392	0.0%
Total Appropriations	\$ 93,947,405	\$ 41,245,468	\$ 41,245,468	\$ 37,357,423	-9.4%

FUND DESCRIPTION

The Debt Service Fund accounts for the City's General Fund debt service obligations.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service. This is 13.02 cents for FY 2016-17.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – A transfer is made from the General Fund to cover debt associated with the former Downtown Fund.

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Intergovernmental – Revenue from Durham County to be received for their portion of the radio infrastructure capital project. Please refer to the Capital and Grant Project Information section of this document (Section XII) for detailed information on City capital projects.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.

Transfer to Other Funds / Fund Balance – Transfers to the Solid Waste, Ballpark and Parking Funds which represents their portion of debt obligations, and transfers of excess revenues over expenses to Fund Balance.

WATER AND SEWER FUND

WATER AND SEWER REVENUES

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Investment & Rental Income					
Interest: Investments and Assess.	\$ 301,437	\$ 166,000	\$ 289,288	\$ 222,000	33.7%
Rental Income	290,774	300,000	377,039	300,000	0.0%
Total Investment & Rental Income	\$ 592,211	\$ 466,000	\$ 666,326	\$ 522,000	12.0%
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	\$ 92,891,991	\$ 86,179,603	\$ 95,678,019	\$ 91,755,570	6.5%
Late Fees	165,124	120,000	187,315	150,000	25.0%
Industrial Monitoring	35,016	45,000	12,352	12,000	-73.3%
Sewer Surcharge	174,976	160,000	186,447	160,000	0.0%
Suspended Solids	26,271	30,000	39,003	35,000	16.7%
Subtotal	\$ 93,293,377	\$ 86,534,603	\$ 96,103,136	\$ 92,112,570	6.4%
Other Operating Revenues					
Septic Tank Disposal	\$ 266,883	\$ 200,000	\$ 279,517	\$ 225,000	12.5%
Water Connection Fees	512,510	500,000	610,200	500,000	0.0%
Sewer Connection Fees	158,200	100,000	199,533	100,000	0.0%
Engineering Inspection Fee	138,898	150,000	198,629	150,000	0.0%
Backflow Certification	10,375	12,500	14,200	12,000	-4.0%
Subtotal	\$ 1,086,866	\$ 962,500	\$ 1,302,079	\$ 987,000	2.5%
Licenses and Permits					
Water Permits	\$ 30,150	\$ 30,000	\$ 37,200	\$ 30,000	0.0%
Sewer Permits	10,350	10,000	21,600	10,000	0.0%
Cross Connection Control Permits	73,957	45,000	62,500	50,000	11.1%
Subtotal	\$ 114,457	\$ 85,000	\$ 121,300	\$ 90,000	5.9%
Total Operating	\$ 94,494,700	\$ 87,582,103	\$ 97,526,516	\$ 93,189,570	6.4%
Other Revenues					
Miscellaneous	\$ 55,893	\$ 58,625	\$ 63,096	\$ 58,849	0.4%
Water Frontage Fees/Assessments	280,748	100,000	62,157	100,000	0.0%
Sewer Frontage Fees/Assessments	453,472	250,000	65,193	250,000	0.0%
Total Other Revenues	\$ 790,113	\$ 408,625	\$ 190,446	\$ 408,849	0.1%
Transfers from Other Funds					
General Fund	\$ 287,635	\$ 276,982	\$ 276,982	\$ -	-100.0%
Total Transfers from Other Funds	\$ 287,635	\$ 276,982	\$ 276,982	\$ -	-100.0%
Appropriation from Fund Balance	\$ -	\$ -	\$ -	\$ -	0.0%
TOTAL W & S FUND REVENUES	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419	6.1%

WATER AND SEWER FUND

REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
REVENUES					
Investment and Rental Income	\$ 592,211	\$ 466,000	\$ 666,326	\$ 522,000	12.0%
Water and Sewer Sales	93,293,377	86,534,603	96,103,136	92,112,570	6.4%
Other Operating Revenue	1,086,866	962,500	1,302,079	987,000	2.5%
Licenses and Permits	114,457	85,000	121,300	90,000	5.9%
Frontage Fees/Assessments	734,220	350,000	127,350	350,000	0.0%
Other	55,893	58,625	63,096	58,849	0.4%
Transfer from Other Funds	287,635	276,982	276,982	-	-100.0%
Appropriations from Fund Balance	-	-	-	-	0.0%
TOTAL REVENUES	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419	6.1%
APPROPRIATIONS					
Personal Services	\$ 22,518,455	\$ 25,463,435	\$ 23,039,315	\$ 26,676,099	4.8%
Operating	25,804,173	28,309,448	28,873,890	27,085,673	-4.3%
Capital Outlay	9,696	-	660,547	218,000	100.0%
Debt Service	17,237,404	10,646,702	10,251,752	10,198,338	-4.2%
Transfers to Other Funds	17,013,899	19,650,869	19,650,869	22,911,502	16.6%
Transfers to Fund Balance	13,581,032	4,663,256	16,183,898	7,030,807	50.8%
TOTAL APPROPRIATIONS	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419	6.1%
Department Appropriations					
Water Management	\$ 37,448,290	\$ 42,194,634	\$ 40,825,109	\$ 43,230,475	2.5%
Public Works	3,162,117	3,285,757	3,410,904	3,585,684	9.1%
Finance	205,159	199,786	229,818	211,112	5.7%
Nondepartmental Appropriations	55,349,093	43,053,533	54,194,439	47,093,148	9.4%
TOTAL APPROPRIATIONS	\$ 96,164,659	\$ 88,733,710	\$ 98,660,270	\$ 94,120,419	6.1%

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investments and Assessments - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute, and interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. Rates for water and sewer charges for FY 2016-17 are proposed to increase about 2.8% for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers inspection costs of CCC devices.

Other Revenues

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund paid back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year. In FY 2016-17, there is no additional fund balance appropriation.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Personal Services					
Merit/Market Salary Adjustment	\$ -	\$ 490,785	\$ -	\$ 629,531	28.3%
Subtotal	\$ -	\$ 490,785	\$ -	\$ 629,531	28.3%
Operating					
General Fund Services	5,997,679	5,997,679	5,997,679	4,773,733	-20.4%
Insurance Risk /Post Employment	1,425,745	1,482,356	1,482,356	1,481,451	-0.1%
Miscellaneous	93,335	121,886	627,885	67,786	-44.4%
Subtotal	\$ 7,516,759	\$ 7,601,921	\$ 8,107,920	\$ 6,322,970	-16.8%
Transfers					
Transfer to Storm Water Fund	\$ 123,000	\$ -	\$ -	\$ -	0.0%
Transfer to Capital Fleet Program	607,000	650,869	650,869	911,502	40.0%
Transfer to Capital Improvements Program	16,283,899	19,000,000	19,000,000	22,000,000	15.8%
Transfer to Fund Balance	13,581,032	4,663,256	16,183,898	7,030,807	50.8%
Subtotal	\$ 30,594,931	\$ 24,314,125	\$ 35,834,767	\$ 29,942,309	23.1%
Debt Service					
Debt Service/Refunding	\$ 17,162,667	\$ 10,146,702	\$ 10,166,509	\$ 9,698,338	-4.4%
County Line Reimbursement	74,737	500,000	85,243	500,000	0.0%
Subtotal	\$ 17,237,404	\$ 10,646,702	\$ 10,251,752	\$ 10,198,338	-4.2%
TOTAL NON-DEPARTMENTAL	\$ 55,349,093	\$ 43,053,533	\$ 54,194,439	\$ 47,093,148	9.4%

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Personal Services

Merit/Market Salary Adjustment - These funds are appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. FY 2016-17 accounts for increases in health, and for an incremental increase to employee pay.

Operating

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations. For FY 2013-14 and FY 2014-15, this primarily consists of unemployment insurance costs for the fund. In FY 2015-16 and beyond, the costs associated with Voice Over IP (VOIP) service are also included here.

Transfers

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program. This was discontinued in FY 2015-16 as the operation has moved off of Water Management's property.

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

Capital Improvement Program (CIP) Appropriations

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2016-17, \$22 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2017-2022 Capital Improvement Program budget document.

Transfer to Fund Balance

This is budgeted to increase the fund balance to meet debt covenants and plan for future pay-as-you-go transfers to the Water and Sewer CIP.

Debt Service

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

CAPITAL FACILITIES FEES FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest and Rental Income	\$ 55,461	\$ 49,000	\$ 49,387	\$ 50,000	2.0%
Operating Revenues	4,370,092	4,535,090	4,474,527	4,405,000	-2.9%
Appropriation from Fund Balance	3,510,546	-	-	-	0.0%
Total Revenues	\$ 7,936,099	\$ 4,584,090	\$ 4,523,914	\$ 4,455,000	-2.8%
Appropriations					
Transfers to Other Funds	\$ 7,936,099	\$ 4,584,090	\$ 4,523,914	\$ 4,455,000	-2.8%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	\$ 7,936,099	\$ 4,584,090	\$ 4,523,914	\$ 4,455,000	-2.8%

FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and funds are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

REVENUE DESCRIPTIONS

Investment and Rental Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by \$200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. Capital Facility Fees increased 5.7% in FY 2013-14 for all new connections to the City's water and sewer system based on the increased capital cost of construction. A 2.4% increase was adopted for FY 2014-15 to cover increased construction costs, and a 2.9% increase was adopted for FY 2015-16 for construction cost increases. Another increase is proposed for FY 2016-17 to cover construction cost increases.

Appropriation from Fund Balance – Additional fund balance was appropriated in FY 2014-15 to allow for a larger transfer to capital to cover the construction phase of several projects.

EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

SOLID WASTE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
General Property Taxes	\$ -	\$ 14,481,951	\$ 14,481,951	\$ 16,853,334	16.4%
Interest and Rental Income	20,111	7,000	7,000	10,000	42.9%
Charges for Services	5,914,372	6,040,052	6,078,758	6,080,361	0.7%
Solid Waste Fee	127,759	-	(4)	-	0.0%
Intergovernmental Revenues	153,766	152,400	152,400	157,376	3.3%
Landfill Gas	100,285	197,000	193,898	193,060	-2.0%
Other Financing Sources	2,202,774	-	-	-	0.0%
Transfers From Other Funds	13,827,981	15,000	15,000	90,130	500.9%
Appropriation From Fund Balance	-	-	-	-	0.0%
Total Revenues	\$ 22,347,048	\$ 20,893,403	\$ 20,929,003	\$ 23,384,261	11.9%
Appropriations					
Personal Services	\$ 6,198,065	\$ 6,389,542	\$ 6,595,733	\$ 6,823,460	6.8%
Operating	9,073,618	9,980,663	9,445,991	12,142,515	21.7%
Capital and Other	-	-	128,801	75,130	100.0%
Debt Service	6,335,444	4,281,130	4,286,130	4,260,951	-0.5%
Transfers To Other Funds	15,753	3,818	3,818	3,818	0.0%
Transfer to Fund Balance	724,168	238,250	468,530	78,387	-67.1%
Total Appropriations	\$ 22,347,048	\$ 20,893,403	\$ 20,929,003	\$ 23,384,261	11.9%
Department Appropriations					
Solid Waste Management	\$ 14,078,592	\$ 15,092,628	\$ 14,902,637	\$ 15,455,515	2.4%
Water Management	178,979	253,612	224,848	256,132	1.0%
Nondepartmental Appropriations	8,089,477	5,547,163	5,801,518	7,672,614	38.3%
Total Appropriations	\$ 22,347,048	\$ 20,893,403	\$ 20,929,003	\$ 23,384,261	11.9%

FUND DESCRIPTION

The Solid Waste Disposal Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this fund.

REVENUE DESCRIPTIONS

General Property Taxes – Beginning in FY 2015-16, a portion of the City's tax rate was allocated to the Solid Waste Fund in place of the former transfers from the General Fund and the Debt Service Fund. The proposed rate for FY 2016-17 of 6.13 cents per \$100 of valuation includes enough to cover fully budgeting true indirect costs in the fund. This is essentially the revenue neutral tax rate with the adjustment for indirect costs.

Investment and Rental Income – Interest earned on the investment of the fund balance.

Charges for Services – These include the per ton tipping fee for Solid Waste charged at the transfer station, fees for yard waste collection, scrap tire rebates, sales of recyclables, brush pickup fees, and white good disposal revenue.

Solid Waste Fee – In FY 2013-14, the City charged a monthly \$1.80 fee to households which received solid waste collection service from the City. In FY 2014-15, the City stopped charging residents fees for the provision of solid

waste collection services, and increased the transfer from the Debt Service Fund to cover the difference. Service is now covered by the dedicated property tax rate.

Intergovernmental Revenues – State Solid Waste Rebates, and Subsidy payments from Build America Bonds (BABs).

Landfill Gas – Revenues generated from methane produced from the City's landfill.

Other Financing Sources – Bond refunding transactions and collection related activities.

Transfer from Other Funds – The General Fund subsidized the Solid Waste Fund on an annual basis. A transfer from the Debt Service Fund was used to cover the cost of debt payments. Beginning in FY 2015-16, a portion of the property tax rate was dedicated to this fund replacing these transfers. The only remaining transfer is from the BID and is used to recover a portion of the cost to provide service to those downtown businesses and residents. The increase for FY 2016-17 is for downtown compactors to be paid for by the BID.

Appropriation from Fund Balance – These include transfers from reserves each year to cover encumbrance carry forward amounts for contracts.

EXPENDITURE DESCRIPTIONS

Personal Services – All of the City's Solid Waste Department employees are accounted for in this area.

Operating – Major items include fuel purchases and solid waste contracts. The large increase in FY 2016-17 is due to fully budgeting indirect costs in the fund for the first time.

Capital and Other— Funds in reserve to be used for pending projects.

Debt Service – To cover the cost of capital projects, vehicles, and other large asset purchases.

Transfers to Other Funds – Transfers to cover technology projects that were paid for out of other funds.

STORMWATER MANAGEMENT FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest and Rental Income	\$ 30,596	\$ 20,000	\$ 34,205	\$ 25,000	0.0%
Operating Revenues	\$ 15,407,370	\$ 15,219,115	\$ 15,315,115	\$ 15,414,729	0.0%
Transfers From Other Funds	232,047	109,047	109,047	109,047	-53.0%
Appropriation From Fund Balance	-	-	-	-	0.0%
Total Revenues	\$ 15,670,013	\$ 15,348,162	\$ 15,458,367	\$ 15,548,776	2.4%
Appropriations					
Personal Services	\$ 5,923,120	\$ 6,580,491	\$ 6,347,321	\$ 7,215,998	2.5%
Operating	2,797,951	2,860,406	2,919,915	3,060,162	-6.4%
Capital and Other	13,000	-	-	-	-100.0%
Transfers To Other Funds	4,573,668	4,838,628	4,838,628	2,516,608	32.9%
Transfer to Fund Balance	2,362,274	1,068,637	1,352,503	2,756,008	-42.0%
Total Appropriations	\$ 15,670,013	\$ 15,348,162	\$ 15,458,367	\$ 15,548,776	2.4%
Department Appropriations					
Public Works	\$ 7,375,044	\$ 8,125,107	\$ 8,074,510	\$ 8,864,905	1.0%
Solid Waste Management	219,518	-	-	-	-100.0%
Nondepartmental Appropriations	8,075,451	7,223,055	7,383,857	6,683,871	7.9%
Total Appropriations	\$ 15,670,013	\$ 15,348,162	\$ 15,458,367	\$ 15,548,776	2.4%

FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

REVENUE DESCRIPTIONS

Operating Revenue – This revenue stream is comprised of two sources:

Stormwater Utility Charges: Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). No rate increase is proposed for FY 16. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: \$3.26 for less than 2,000 square feet, \$6.75 for more than 2,000 and less than 4,000 square feet; \$13.52 for more than 4,000 square feet. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

Stormwater Permit Fees: The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Transit Fund to support bus shelter cleaning services.

EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects and transfer to Fleet for purchase of vehicles.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

TRANSIT FUND

	Actual	Adopted	Estimated	Proposed	
	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
Revenues					
General Property Taxes	\$ 9,531,107	\$ 9,580,368	\$ 9,580,368	\$ 11,299,707	17.9%
Licenses and Permits	2,631,198	2,480,521	2,480,521	2,480,521	0.0%
Intergovernmental	3,650,861	4,946,681	5,073,735	5,109,187	3.3%
Charges for Current Services	3,346,528	3,451,051	3,303,953	3,442,022	-0.3%
Other Revenue	48,141	210,936	113,522	147,727	-30.0%
Appropriation from Fund Balance	-	-	5,529	-	0.0%
Total Revenues	\$ 19,207,835	\$ 20,669,557	\$ 20,557,628	\$ 22,479,164	8.8%
Appropriations					
Operating	\$ 15,971,752	\$ 18,099,945	\$ 18,108,339	\$ 18,606,554	2.8%
Capital	65,725	379,000	120,000	491,154	29.6%
Debt Service	208,098	203,460	203,460	198,821	-2.3%
Transfers to Other Funds	2,008,204	1,828,609	2,125,829	1,668,293	0.0%
Transfer to Fund Balance	954,056	158,543	-	1,514,342	855.2%
Total Appropriations	\$ 19,207,835	\$ 20,669,557	\$ 20,557,628	\$ 22,479,164	8.8%
Departmental Appropriations					
Transportation Department	\$ 17,489,927	\$ 19,679,295	\$ 19,725,910	\$ 20,071,073	2.0%
Nondepartmental Appropriations	1,717,908	990,262	831,718	2,408,091	143.2%
Total Appropriations	\$ 19,207,835	\$ 20,669,557	\$ 20,557,628	\$ 22,479,164	8.8%

FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes GoDurham (formerly the Durham Area Transit Authority (DATA)) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. GoDurham is currently operated by Durham City Transit Company (DCTC) which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

REVENUE DESCRIPTIONS

General Property Taxes – The tax rate dedicated to Transit is proposed at 4.11 cents per \$100 of valuation.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. These are \$15 per vehicle registration.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems. Also, funds are transferred annually from Triangle Transit to cover new services, and the increased costs of existing services.

Charges for Current Services – Fare box and Para-transit transport fares.

EXPENDITURE DESCRIPTIONS

Operating – The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Grant matches for Transit operations and a payment to the Stormwater Fund to cover bus shelter cleaning services.

PARKING FACILITIES FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest and Rental Income	\$ 1,027,349	\$ 2,000	\$ 8,002,000	\$ 3,000	50.0%
Charges for Services	3,266,549	3,306,726	3,837,699	4,493,336	35.9%
Transfers from Other Funds	1,987,324	1,924,735	1,924,735	914,757	-52.5%
Appropriation from Fund Balance	-	-	-	-	0.0%
Total Revenues	\$ 6,281,222	\$ 5,233,461	\$13,764,434	\$ 5,411,093	3.4%
Appropriations					
Personal Services	\$ 151,179	\$ 141,802	\$ 186,002	\$ 224,757	58.5%
Operating	2,772,729	2,954,187	3,079,212	3,352,531	13.5%
Capital	-	17,500	46,500	105,500	502.9%
Debt Service	2,995,005	1,924,737	7,869,737	1,111,276	-42.3%
Transfer to Fund Balance	362,309	195,235	2,582,983	617,029	216.0%
Total Appropriations	\$ 6,281,222	\$ 5,233,461	\$13,764,434	\$ 5,411,093	3.4%
Departmental Appropriations					
Transportation Department	\$ 2,464,706	\$ 2,623,374	\$ 2,821,599	\$ 3,181,825	21.3%
Nondepartmental Appropriations	3,816,516	2,610,087	10,942,835	2,229,268	-14.6%
Total Appropriations	\$ 6,281,222	\$ 5,233,461	\$13,764,434	\$ 5,411,093	3.4%

FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. On-street parking revenues and expenditures are also budgeted in this fund. The North Deck at American Tobacco's revenues and expenses were moved to this fund for FY 2013-14, and that deck is in the process of being sold in FY 2015-16. The FY 2014-15 budget included increased parking enforcement for areas near downtown, and provisions for a paid public parking lot on Ninth Street. Recommendations from the recently completed parking study continue to be implemented. Paid on-street parking for certain areas in and around downtown Durham is proposed to be implemented during FY 2016-17. A new downtown garage is also in planning stages and that is being funded through the Capital Improvements Program.

REVENUE DESCRIPTIONS

Interest and Rental Income - Gained through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor.

Transfers from Other Funds – Beginning in FY 2013-14, this transfer is from the Debt Service Fund to cover debt service payments related to parking.

EXPENDITURE DESCRIPTIONS

Personal Services – The City's Transportation Department provides oversight of the parking contracts. A new position is proposed for the FY 2016-17 budget to manage parking projects and technology for the City. The position was moved from the Department of Transportation's general fund activities.

Operating – The operating budget represents contract payments to a private contractor.

Capital – Funds were used to purchase automation equipment for garages.

Debt Service – This had previously been paid out of the Debt Service Fund, but to consolidate all parking related expenses into this fund, it was moved here and is covered with a transfer from the Debt Service Fund.

BALLPARK FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest and Rental Income	\$ 3,737	\$ 2,000	\$ 6,500	\$ 3,000	50.0%
Charges for Services	225,651	215,793	215,793	244,712	13.4%
Transfers from Other Funds	1,285,617	1,244,776	1,244,776	1,215,354	-2.4%
Total Revenues	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066	0.03%
Appropriations					
Operating	\$ -	\$ -	\$ 42,961	\$ 42,022	100.0%
Debt Service	1,300,588	1,287,329	1,287,329	1,273,414	-1.1%
Transfer to Fund Balance	97,601	52,000	13,539	17,612	-66.1%
Transfers to Other Funds	116,816	123,240	123,240	130,018	5.5%
Total Appropriations	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066	0.03%
Departmental Appropriations					
General Services	\$ -	\$ -	\$ 42,961	\$ 42,022	100.0%
Nondepartmental Appropriations	1,515,005	1,462,569	1,424,108	1,421,044	-2.8%
Total Appropriations	\$ 1,515,005	\$ 1,462,569	\$ 1,467,069	\$ 1,463,066	0.03%

FUND DESCRIPTION

The Ballpark Fund was established in FY 1995-96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). Effective January 2014, the City entered into a 20-year lease with Durham Bulls Baseball Club. Per the terms of this agreement, the City will no longer be responsible for daily operational activities related to the Ballpark.

The park is currently the home of the Durham Bulls AAA baseball club, a local radio station and a local television station. USA Baseball also moved into DBAP during FY 2003-04. All activities related to the baseball season occur between April and September.

REVENUE DESCRIPTIONS

Interest and Rental Income

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events and receive 1.25% of revenues for these events.

Charges for Services

Durham Bulls Rent - The Durham Bulls are charged \$135,304 as base rent, paid in equal monthly installments.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 3% of the team's gross revenues exceeding \$10,750,000 per year.

Transfer from Other Funds

Transfer from Others Funds - The General Fund and Debt Service Fund subsidize the Ballpark Fund in the amount of \$50,000 and \$1,194,776, respectively.

EXPENDITURE DESCRIPTIONS

Operating – The Durham Bulls are responsible for the daily operation of the Ballpark for Club Home Games, Special Events, and Third Party Events. The \$42,022 of associate operating costs is for the anticipated cost of maintenance above the agreement cap.

Debt Service – The City issued \$12 million in taxable limited obligation bonds as part of a development agreement with the Bulls. Of the total \$12 million, \$6 million addressed Deferred Maintenance issues and the remaining \$6 million provided new improvements to the Ballpark.

Transfers to Other Funds – A loan repayment to the Water and Sewer Construction Fund.

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Charges for Service	\$ 1,349,158	\$ 1,604,777	\$ 1,604,777	\$ -	-100.0%
Investment Income	3,506	4,000	4,000	-	-100.0%
Appropriation From Fund Balance	517,036	-	-	-	0.0%
Total Revenues	\$ 1,869,700	\$ 1,608,777	\$ 1,608,777	\$ -	-100.0%
Appropriations					
Personal Services	\$ 1,868,490	\$ 1,607,577	\$ 1,607,577	\$ -	-100.0%
Operating	1,210	1,200	1,200	-	-100.0%
Total Appropriations	\$ 1,869,700	\$ 1,608,777	\$ 1,608,777	\$ -	-100.0%

FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute. For FY 2016-17 the fund has been closed, and the revenues and expenses transferred to the Police department's operating budget.

REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund.

Investment Income – Funds are gained through the commitment of city funds to investment instruments allowed under State Statute.

Appropriations from Fund Balance – Any costs not covered by the other two revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services (Separation Allowance) – This expenditure provides special retirement benefits for eligible law enforcement officers as required by State Statute.

Operating (Periodic Fund Audit) – This fund is audited periodically to determine the accuracy of projections. The cost associated with these audits appears here.

CEMETERY FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest and Rental Income	\$ 6,401	\$ 5,000	\$ 5,000	\$ -	-100.0%
Appropriation from Fund Balance	333,599	-	-	-	0.0%
Total Revenues	\$ 340,000	\$ 5,000	\$ 5,000	\$ -	-100.0%
Appropriations					
Transfers to Other Funds	\$ 340,000	\$ -	\$ -	\$ -	0.0%
Transfers to Fund Balance	\$ -	\$ 5,000	\$ 5,000	\$ -	-100.0%
Total Appropriations	\$ 340,000	\$ 5,000	\$ 5,000	\$ -	-100.0%

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. For FY 2016-17 it is proposed that the fund be dissolved and all proceeds used for cemetery repairs.

REVENUE DESCRIPTIONS

Interest and Rental Income – Investment interest earned on fund balance.

Appropriation from Fund Balance – Funds appropriated for use based on approved projects/needs.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – Reserved for transfers for cemetery repairs.

Transfers to Fund Balance – Any surplus in the fund is returned to fund balance.

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Charges for Services	\$ 3,876,283	\$ 4,024,242	\$ 4,024,242	\$ -	-100.0%
Contributions	597,449	538,882	538,882	-	-100.0%
Interest	2,241	1,000	1,000	-	-100.0%
Total Revenues	\$ 4,475,973	\$ 4,564,124	\$ 4,564,124	\$ -	-100.0%
Appropriations					
Personal Services	\$ 4,288,714	\$ 4,535,575	\$ 4,535,575	\$ -	-100.0%
Operating Expenses	-	7,500	7,500	-	-100.0%
Transfer to Fund Balance	187,259	21,049	21,049	-	-100.0%
Total Appropriations	\$ 4,475,973	\$ 4,564,124	\$ 4,564,124	\$ -	-100.0%

FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy. For FY 2016-17 the OPEB fund was dissolved and all associated revenues and appropriations have been allocated to the Employee Health Fund.

REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

Contributions - City and retiree contributions.

Interest – Investment interest earned on any fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services - This expenditure provides post employment benefits for eligible retired employees as required by city policy.

Operating Expenses – These are professional fees for actuarial services.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
911 Surcharge Tax	\$ 1,608,226	\$ 1,619,955	\$ 1,619,955	\$ 1,667,200	2.9%
Interest Income	938	2,000	2,000	3,000	50.0%
Transfer from Other Funds	-	-	288,945	-	0.0%
Appropriation from Fund Balance	364,662	549,941	549,941	400,979	-27.1%
Total Revenues	\$ 1,973,826	\$ 2,171,896	\$ 2,460,841	\$ 2,071,179	-4.6%
Appropriations					
Personal Services	\$ -	\$ 233,082	\$ 233,082	\$ 254,182	9.1%
Operating	1,973,826	1,938,814	2,227,759	1,816,997	-6.3%
Total Appropriations	\$ 1,973,826	\$ 2,171,896	\$ 2,460,841	\$ 2,071,179	-4.6%

FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

Debt Service – Debt service contribution on radio console.

Appropriations to Fund Balance – Any surplus in the Fund is returned to fund balance.

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DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Other Local Taxes	\$ 1,446,464	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	0.0%
Other Revenues	31,275,448	905,800	1,075,000	1,112,500	22.8%
Interest Income	14,061	5,000	5,000	6,000	20.0%
Operating Revenues	1,644,332	1,183,449	1,183,449	1,362,538	15.1%
Appropriation from Fund Balance	-	-	-	-	0.0%
Total Revenues	\$34,380,305	\$ 3,494,249	\$ 3,663,449	\$ 3,881,038	11.1%
Appropriations					
Operating	262,934	220,905	295,616	297,416	34.6%
Capital and Other	46,914	539,852	769,803	748,775	38.7%
Debt Service	32,669,049	2,236,253	2,236,253	2,230,989	-0.2%
Appropriation to Fund Balance	1,401,408	497,239	361,777	603,858	21.4%
Total Appropriations	\$34,380,305	\$ 3,494,249	\$ 3,663,449	\$ 3,881,038	11.1%

FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater. Charges associated with maintenance and repair of the facility, recorded in the Durham Performing Arts Center Capital Reserve fund in prior years, have been consolidated with the operating fund for FY 2014-15.

REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of \$1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Interest Income – This line records interest received in the fund.

Operating Revenues – Revenues received from the theater operator.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Operating - Commissions and fees to meet contractual obligations.

Capital and Other—Maintenance, improvements, and repair costs associated with the facility.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

Transfers to Other Funds—Represents a one-time transfer to the General Fund and transfers to the DPAC Repair fund. Expenses associated with repair have been consolidated with the DPAC operating fund beginning in FY 15.

Appropriation to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

IMPACT FEE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Operating Revenues	\$ 3,287,325	\$ 2,924,292	\$ 3,276,329	\$ 3,087,959	5.6%
Interest and Rental Income	171,390	107,000	179,329	151,000	41.1%
Total Revenues	\$ 3,458,715	\$ 3,031,292	\$ 3,455,658	\$ 3,238,959	6.9%
Appropriations					
Transfer to Fund Balance	\$ 3,458,715	\$ 3,031,292	\$ 3,455,658	\$ 3,238,959	6.9%
Total Appropriations	\$ 3,458,715	\$ 3,031,292	\$ 3,455,658	\$ 3,238,959	6.9%

FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

REVENUE DESCRIPTIONS

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

Interest and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
General Property Taxes	\$ 422,869	\$ 443,294	\$ 443,294	\$ 614,674	38.7%
Transfers from Other Funds	250,000	250,000	250,000	250,000	0.0%
Appropriation from Fund Balance	6	-	-	-	0.0%
Total Revenues	\$ 672,875	\$ 693,294	\$ 693,294	\$ 864,674	24.7%
Appropriations					
Operating	\$ 653,503	\$ 653,503	\$ 653,503	\$ 653,503	0.0%
Tax Collection Fee	4,372	5,098	5,098	6,147	20.6%
Transfer to Other Funds	15,000	15,000	15,000	90,130	500.9%
Transfer to Fund Balance	-	-	19,693	-	0.0%
Appropriations not Authorized	-	19,693	-	114,894	100.0%
Total Appropriations	\$ 672,875	\$ 693,294	\$ 693,294	\$ 864,674	24.7%

FUND DESCRIPTION

The Business Improvement District (BID) Fund was established in FY 2012-13 to account for activity in the City's Downtown Business Improvement District.

REVENUE DESCRIPTIONS

General Property Taxes – A targeted 7 cents per \$100 assessed value tax on property within the boundaries of the BID, allocated to pay for enhanced services to the district.

Transfers from Other Funds – A transfer is made from the General Fund to cover a portion of the contractual services.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Operating – The enhanced services provided to the Downtown Business Improvement District.

Tax Collection Fee – This includes the collection fee that Durham County charges the City for collecting property taxes.

Transfer to Other Funds – This is a payment to the Solid Waste Fund for enhanced collection services.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

Appropriations not Authorized – Appropriations held in reserve / to be designated.

RISK REDUCTION FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Interest Income	\$ 47,542	\$ 68,088	\$ 68,088	\$ 40,000	-41.3%
Charges for Current Services	4,983,011	4,932,803	4,932,803	5,010,994	1.6%
Transfer from Other Funds	48,709	48,719	48,719	-	-100.0%
Appropriation from Fund Balance	-	562,343	94,679	392,436	-30.2%
Total Revenues	\$ 5,079,262	\$ 5,611,953	\$ 5,144,289	\$ 5,443,430	-3.0%
Appropriations					
Personal Services	\$ 374,521	\$ 475,856	\$ 439,096	\$ 477,942	0.4%
Operating	3,472,116	5,066,304	4,705,153	4,965,488	-2.0%
Transfer to Fund Balance	1,232,625	69,793	-	-	-100.0%
Total Appropriations	\$ 5,079,262	\$ 5,611,953	\$ 5,144,249	\$ 5,443,430	-3.0%

FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Transfer from Other Funds – This is the repayment of an interfund loan.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services – In FY2013-14 the personnel assigned to risk functions were moved from the Finance department to the Risk fund.

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

EMPLOYEE INSURANCE FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Charges for Current Services	\$ 28,374,117	\$ 29,001,619	\$ 32,260,544	\$ 31,574,333	8.9%
Interest	47,937	33,000	33,000	46,000	39.4%
Appropriation from Fund Balance	-	1,092,407	1,092,407	1,639,580	50.1%
Total Revenues	\$ 28,422,054	\$ 30,127,026	\$ 33,385,951	\$ 33,259,913	10.4%
Appropriations					
Personnel	\$ 84,155	\$ 83,639	\$ 86,953	\$ 546,209	553.1%
Operating	28,165,610	30,043,387	33,298,998	32,713,704	8.9%
Transfer to Fund Balance	172,289	-	-	-	0.0%
Total Appropriations	\$ 28,422,054	\$ 30,127,026	\$ 33,385,951	\$ 33,259,913	10.4%

FUND DESCRIPTION

The Employee Insurance Fund was established to account for the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personnel – A Wellness Program Administrator FTE is included in the fund, as well as transfer of costs from the dissolved OPEB fund.

Operating – This line includes payments for health insurance.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

WATERSHED PROTECTION FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Charges for Services	\$ 105,868	\$ 92,000	\$ 92,000	\$ 87,000	-5.4%
Appropriation from Fund Balance	4,246	-	-	-	0.0%
Total Revenues	\$ 110,114	\$ 92,000	\$ 92,000	\$ 87,000	-5.4%
Appropriations					
Transfers to Other Funds	\$ 110,114	\$ 92,000	\$ 92,000	\$ 87,000	-5.4%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	\$ 110,114	\$ 92,000	\$ 92,000	\$ 87,000	-5.4%

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2011-12 to account for activities related to the protection of the City's watershed lands.

REVENUE DESCRIPTIONS

Charges for Services - City Water Services fees collected for the purpose of the preservation of City's watershed.

Appropriations from Fund Balance – Excess funds from prior years are appropriated and transferred to the Water and Sewer Construction Capital Fund.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The fees are transferred to Water & Sewer Construction for the purpose of future purchases of watershed land.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

DEDICATED HOUSING FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
General Property Taxes	\$ 2,462,821	\$ 2,475,547	\$ 2,475,547	\$ 2,749,320	11.1%
Charges for Current Services	20,628	-	78,989	-	0.0%
Appropriation from Fund Balance	-	-	1,449,559	-	0.0%
Total Revenues	\$ 2,483,449	\$ 2,475,547	\$ 4,004,095	\$ 2,749,320	11.1%
Appropriations					
Operating	\$ 427,306	\$ 1,608,379	\$ 3,751,106	\$ 663,372	-58.8%
Capital and Other	74,000	74,000	74,000	76,220	3.0%
Transfers to Other Funds	1,584,993	100,000	100,000	-	-100.0%
Transfer to Fund Balance	397,150	693,168	78,989	2,009,728	189.9%
Total Appropriations	\$ 2,483,449	\$ 2,475,547	\$ 4,004,095	\$ 2,749,320	11.1%
Departmental Appropriations					
Community Development	\$ 2,058,468	\$ 1,753,910	\$ 2,094,751	\$ 707,975	-59.6%
Nondepartmental Appropriations	424,981	721,637	1,909,344	2,041,345	182.9%
Total Appropriations	\$ 2,483,449	\$ 2,475,547	\$ 4,004,095	\$ 2,749,320	11.1%

FUND DESCRIPTION

The Dedicated Housing Fund was established in FY 2012-13 to account for activities related to the dedicated one cent portion of the property tax rate that Council approved as part of the FY 2012-13 budget.

REVENUE DESCRIPTIONS

General Property Taxes – A dedicated 1 cent per \$100 assessed value tax on property, allocated to pay for approved housing projects including partially funding the Southside neighborhood revitalization.

Charges for Current Services – Primarily housing lien payments.

Appropriation from Fund Balance – A portion of the accumulated fund balance to fund FY 2015-16 activities.

EXPENDITURE DESCRIPTIONS

Operating – Housing related items that are not part of a specific capital project. This amount also includes the 1% fee that the City pays to the County for collecting the taxes dedicated to the fund.

Capital and Other – This primarily holds funds at the beginning of the fiscal year until they are distributed to specific operating or transfer lines.

Transfers to Other Funds – Several capital project funds are set up for Southside. Funds are collected in the Dedicated Housing Fund, and transferred to the appropriate capital project fund as they are needed.

Transfer to Fund Balance – Estimated reserves to be allocated in future years.

Departmental Appropriations – Funding allocated and approved by Council according to the 5 year plan for the dedicated funding source for housing.

Nondepartmental Appropriations – The tax collection fee paid to the County, and the Transfer to Fund Balance.

INSPECTIONS FUND

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Revenues					
Licenses and Permits	\$ -	\$ -	\$ 6,381,063	\$ 5,519,977	100.0%
Interest and Impact Fees	-	-	36,520	45,555	100.0%
Appropriation from Fund Balance	-	-	-	60,471	100.0%
Total Revenues	\$ -	\$ -	\$ 6,417,583	\$ 5,626,003	100.0%
Appropriations					
Personal Services	\$ -	\$ -	\$ 3,395,046	\$ 3,782,275	100.0%
Operating	-	-	1,147,014	1,288,728	100.0%
Transfer to Other Funds	-	-	-	555,000	100.0%
Appropriation to Fund Balance	-	-	1,875,523	-	
Total Appropriations	\$ -	\$ -	\$ 6,417,583	\$ 5,626,003	100.0%
Departmental Appropriations					
Inspections Department	\$ -	\$ -	\$ 3,627,565	\$ 3,943,432	100.0%
Nondepartmental Appropriations	-	-	2,790,018	1,682,571	100.0%
Total Appropriations	\$ -	\$ -	\$ 6,417,583	\$ 5,626,003	100.0%

FUND DESCRIPTION

The Inspections Fund provides for support of the administration and activities of the Inspections Department and for no other purposes. This is a newly created fund effective October 1, 2015 based on House bill 255 approved by the General Assembly on July 13, 2015.

REVENUE DESCRIPTIONS

Licenses and Permits – Revenues from building, electrical, plumbing, mechanical, and fire permits required by ordinance for development activity.

Interest and Impact Fees – Interest earned on the investment of the fund balance and 1% of impact fees collected.

Appropriation from Fund Balance – These include transfers from reserves each year to cover costs not covered by other sources.

EXPENDITURE DESCRIPTIONS

Personal Services – All of the Inspections Department employees are accounted for in this area.

Operating – Major items include indirect costs, banking fees, voice over IP phone costs, transfers to OPEB and Risk funds.

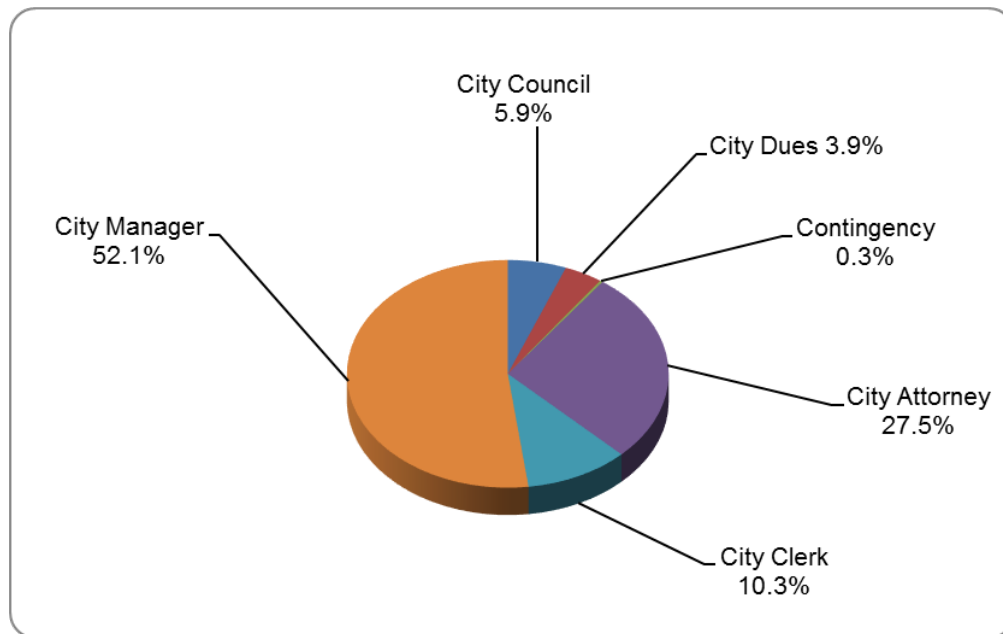
Transfer to Other Funds - Funds are transferred to other funds to cover the renovations and up fit costs associated with the new Development Services Center, fleet vehicle replacement costs, and new vehicle acquisition costs.

Appropriations to Fund Balance – Any surplus in the Fund is returned to fund balance.

**GOVERNANCE
BUDGET SUMMARY**

General Fund	Actual	Adopted	Estimated	Proposed	
Appropriations	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
City Council	\$ 294,475	\$ 751,124	\$ 703,347	\$ 351,739	-53.2%
RDU Airport Authority	12,500	12,500	12,500	12,500	0.0%
Mayor's Committee for Persons with Disabilities	996	-	-	-	0.0%
City Dues	232,440	242,404	242,404	244,712	1.0%
Sister Cities	7,498	8,500	8,500	10,000	17.6%
Contingency	-	18,000	-	18,000	0.0%
City Attorney	1,655,363	1,662,170	1,777,892	1,746,397	5.1%
City Clerk	603,313	633,813	635,678	662,233	4.5%
City Manager	2,892,952	3,081,684	3,152,562	3,307,532	7.3%
Legislative Program	267	-	-	-	0.0%
Pay Adjustments/Others	-	-	-	-	0.0%
Total Appropriations	\$ 5,699,804	\$ 6,410,195	\$ 6,532,883	\$ 6,353,113	-0.9%
Full Time Equivalents	49	50	51	51	1.0
Part Time	8	8	8	8	-
Revenues					
General Fund					
Discretionary	\$ 5,689,672	\$ 6,401,395	\$ 6,524,083	\$ 6,344,313	-0.9%
Program	10,132	8,800	8,800	8,800	0.0%
General Fund Subtotal	\$ 5,699,804	\$ 6,410,195	\$ 6,532,883	\$ 6,353,113	-0.9%

GOVERNANCE



CITY COUNCIL

Purpose Statement:

The Durham City Council is composed of the Mayor and six City Council members. The Council is elected to represent the citizens of Durham and to provide leadership as the City experiences growth and change.

DEPARTMENT DESCRIPTION

City Council

\$636,951

As the policy making body for the City of Durham, the City Council provides direction to the City Manager and administration to implement programs and projects designed to improve the quality of life in our community.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 236,694	\$ 235,985	\$ 239,431	\$ 242,671	2.8%
Operating	57,781	515,139	463,916	109,068	-78.8%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 294,475	\$ 751,124	\$ 703,347	\$ 351,739	-53.2%
RDU Airport Authority	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	0.0%
Mayor's Committee for Persons with Disabilities	996	-	-	-	0.0%
City Dues	232,440	242,404	242,404	244,712	1.0%
Sister Cities	7,498	8,500	8,500	10,000	17.6%
Contingency	-	18,000	-	18,000	0.0%
Subtotal Nondepartmental	\$ 253,434	\$ 281,404	\$ 263,404	\$ 285,212	1.4%
Total Appropriations	\$ 547,909	\$ 1,032,528	\$ 966,751	\$ 636,951	-38.3%
Full Time Equivalents	-	-	-	-	-
Part Time	7	7	7	7	-
Revenues					
Discretionary	\$ 547,910	\$ 1,032,528	\$ 966,751	\$ 636,951	-38.3%
Program	-	-	-	-	0.0%
Total Revenues	\$ 547,909	\$ 1,032,528	\$ 966,751	\$ 636,951	-38.3%

BUDGET ISSUES FOR FY 2016-17

- None

ACCOMPLISHMENTS FOR FY 2015-16

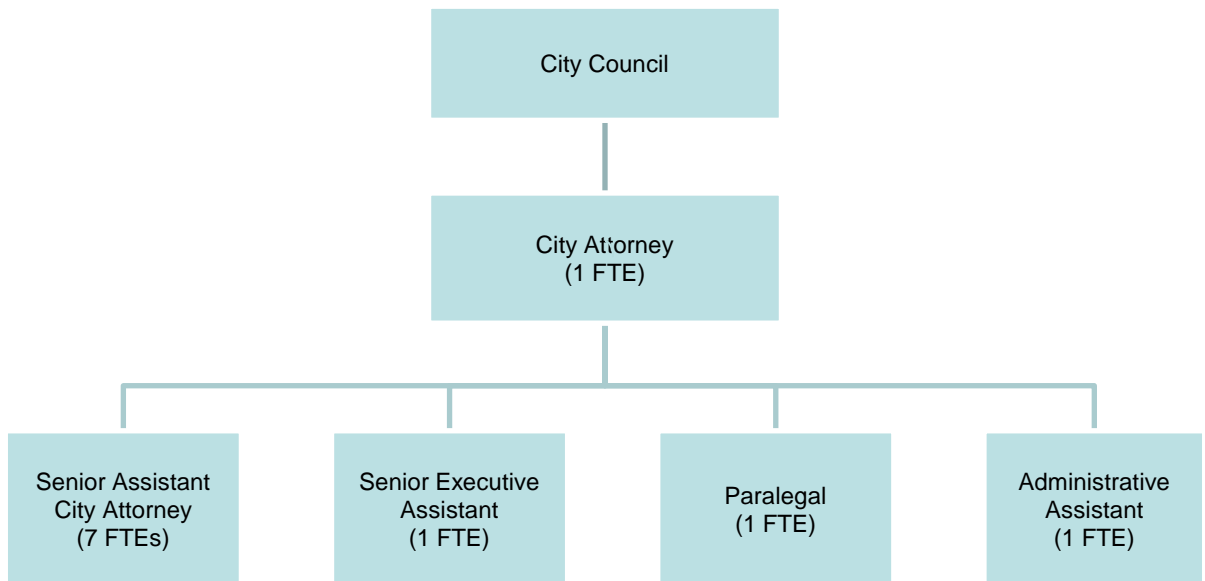
- Deliberated and adopted annual budget for City operations
- Visited various communities during National Night Out
- Endorsed the recommended alternative for Durham-Orange Light Rail Transit Project in the Draft Environmental Impact Statement
- Whitted School Groundbreaking
- Mayor presented State of the City Address

- Attended a series of Coffee with Council sessions to give citizens an opportunity to provide feedback to council members on budget priorities for the upcoming fiscal year
- Approved contract with consultant to help advise City on affordable housing options and strategies
- Consensus for Design of Police Headquarters – Scheme A
- Critical Community Conversation meeting held
- Approved acquisition of former Duke Diet and Fitness Center
- Approved renewal of City/County Agreement for Inspections Department
- Considered and approved numerous rezoning and annexation requests
- Considered and approved requests for city incentives for redevelopment
- Continued support for Poverty Reduction Initiative
- Appointed citizens to boards, committees and commissions
- Various resolutions and ordinances adopted
- Proclamations issued recognizing matters of importance



City Attorney

(11 FTEs)



CITY ATTORNEY

Purpose Statement:

The mission of the City Attorney's Office is to provide superior quality legal advice and counsel in support of the various initiatives, projects, goals and objectives of the City Council and Administration, in a timely and efficient manner.

DEPARTMENT DESCRIPTION

City Attorney's Office

\$1,746,397**11 FTEs**

The City Attorney's Office provides legal advice and representation to City Council, the City administration, and City boards and commissions for the wide variety and considerable volume of projects and activities undertaken by the City. Services include advice and consultation to Council, the City Manager's Office, and all departments; attendance and assistance at Council meetings and in select meetings of the City's boards and commissions; drafting and review of contracts; drafting and review of ordinances; assistance in preparation of bid documents and RFPs; negotiation, issue identification, and complex document drafting for major economic development projects; drafting deeds, easements, and contracts for sale or purchase of property; drafting interlocal agreements; legal analysis of new City programs or policies; and drafting a variety of documents related to affordable housing.

The office also assists staff in finalizing cases to be handled by the District Attorney's Office in Community Life Court for City Code violations; works with outside counsel in the collection of assessments; evaluates damage claims in conjunction with the City Manager, Risk Manager, and City insurance carriers; assists staff in formulating and enforcing civil remedies for violations of the City Code; and negotiates on behalf of the City in potential and actual claims involving contract disputes, development regulations, utility services, personnel and discrimination issues, and land acquisition. Litigation typically handled by the office includes planning and zoning actions, challenges to the legality of City programs, property condemnations, and personnel, tort, and contract cases. On limited occasions, particularly complex or extended litigation that is beyond the office's limited support services is contracted out. The office coordinates the retention of outside counsel for these cases, as well as for bond financings and some affordable housing and real estate matters.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 1,582,527	\$ 1,574,655	\$ 1,668,922	\$ 1,658,882	5.3%
Operating	72,836	87,515	108,970	87,515	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 1,655,363	\$ 1,662,170	\$ 1,777,892	\$ 1,746,397	5.1%
Full Time Equivalents	11	11	11	11	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 1,655,363	\$ 1,662,170	\$ 1,777,892	\$ 1,746,397	5.1%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,655,363	\$ 1,662,170	\$ 1,777,892	\$ 1,746,397	5.1%

BUDGET ISSUES FOR FY 2016-17

- The office continues to handle a significant workload resulting from: the City's growth in general, high profile housing redevelopment ventures and in particular, the Southside redevelopment, an increase in unique and complex public-private contracts for economic development projects and utility construction and a recent upswing in police litigation. Such high profile, legally challenging and important projects will require the continued employment and retention of highly qualified professional staff.

ACCOMPLISHMENTS FOR FY 2015-16

Continuing legal support for the following projects and initiatives:

- Rolling Hills/Southside redevelopment initiative
- 2015 legislative programs
- Legal support for the Chesterfield and Longfellow redevelopment projects.
- Downtown Innovation District
- Sale of downtown "North" parking deck
- Bond work and retention of bond counsel for bonds issued in FY 2014
- Ongoing Unified Development Ordinance revisions
- Management of street issues related to failing and struggling neighborhood developments
- Community Life Court and assessment collections
- Land acquisition and construction of the new Police Department headquarters building
- Residential construction adjacent to Durham Central ParkLiberty Arts residential redevelopment
- Review and revisions to temporary sign ordinance
- Review of Uber/Lyft regulations
- Revisions to City's Livable Wage Ordinance
- Provided legal support for the City's affordable housing projects, which average between 10 and 20 per year, and assistance in difficult issues involving the Rolling Hills/Southside project
- Reviewed and assisted with City stormwater comments on Jordan Lake and Falls Lake rules, and participation in the Upper Neuse River Basin Association.
- Provided review and assistance in evaluating between 70 and 100 claims of various types against the City.
- Served as counsel or co-counsel in filed legal actions or administrative proceedings, including tort/negligence claims, personnel issues, and regulatory matters, successfully obtaining dismissals in a number of cases

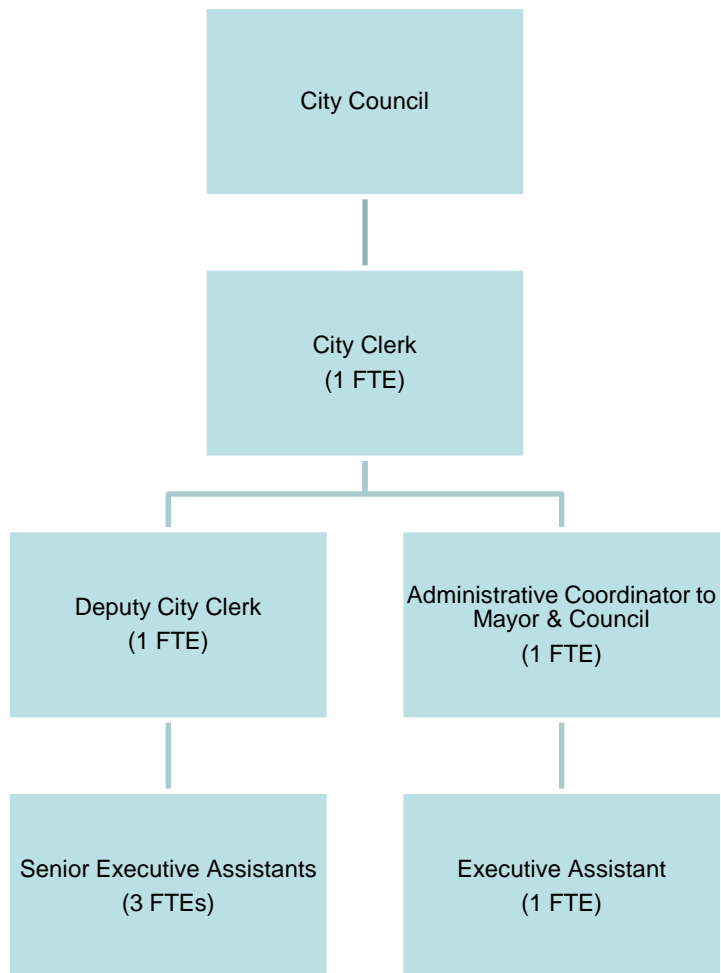
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Legal support for the 2016 and 2017 legislative program
- Provide legal support an management of claims and lawsuits filed against the City
- Continue to support the City's Capital Improvement Program
- Provide legal support for the City's affordable housing projects, and assistance in difficult issues involving the Rolling Hills/Southside project
- Continued legal support of major economic development projects
- Legal support for the management of street issues related to failing and struggling neighborhood developments



City Clerk

(7 FTEs)



CITY CLERK

Purpose Statement:

To maintain and provide public records, accessible services, and assistance to the City Council, community and City departments in a courteous, timely, and cost effective manner.

DEPARTMENT DESCRIPTION

City Clerk's Office

\$662,233

7 FTEs

The department records all official actions of the Durham City Council, publicizes and processes vacancies for Council appointed boards, committees and commissions, provides proper notice for all meetings regulated by the North Carolina open meetings law, archives permanent records, executes contracts and other documents, issues cemetery deeds and going-out-of-business licenses, coordinates codification of the Durham City Code, administers oaths of office, accepts public record requests, accepts claims against the City, and certifies documents for admissibility in court cases. The department also provides administrative support to the Mayor and the members of the City Council.

Records

Publicize meetings in accordance with the NC Open Meetings Law.

Attest City contracts and return to departments within a timely manner.

Execute and provide Council adopted documents to departments, prepare minutes for City Council meetings, archive permanent documents, process board applications, coordinates codification of Durham City Code, administers oaths of office, prepare cemetery deeds and provide public records to customers.

Administrative Support

Provide staff support for the Mayor and members of the City Council.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 566,982	\$ 570,445	\$ 590,142	\$ 598,865	5.0%
Operating	36,331	63,368	45,536	63,368	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 603,313	\$ 633,813	\$ 635,678	\$ 662,233	4.5%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 603,309	\$ 633,813	\$ 635,678	\$ 662,233	4.5%
Program	4	-	-	-	0.0%
Total Revenues	\$ 603,313	\$ 633,813	\$ 635,678	\$ 662,233	4.5%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Records **General Fund:** \$464,260
FTEs: 5

Goal: Innovative and High Performing Organization

Objective: To provide proper notice for all public meetings in accordance with the North Carolina Open Meetings Law.

Initiative: Communicate with city departments to ensure public notification of meetings.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Meetings proper notice provided at least 48 hours in advance	99%	100%	100%	100%

Objective: To attest & return contracts to departments within a timely manner.

Initiative: City Clerk & staff member will manage & follow-up on process.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Contracts attested & returned to dept. within three days of receipt	98%	99%	99%	99%

Objective: To execute and provide council adopted documents to departments within a timely manner.

Initiative: Staff member will monitor and provide update to City Clerk.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Resolutions / Ordinances made available to departments within four days of council approval	99%	99%	99%	99%

Objective: To prepare agenda items to ensure appointments to boards, committees & commissions are made by Council in a timely manner.

Initiative: Staff member will manage and report status to City Clerk.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Reappointments prior to term expiring	80%	80%	80%	80%
# of New applicants appointed to boards and commissions	44	40	43	40

Objective: To attend meetings and prepare City Council minutes.

Initiative: Monthly monitoring of process by City Clerk and Deputy City Clerk.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% of Minutes prepared within 14 days	82%	86%	86%	86%

Program: Administrative Support **General Fund:** \$197,973
FTEs: 2

Goal: Innovative and High Performing Organization

Objective: To provide administrative support to Mayor & Members of the City Council.

Initiative: Prepare written communications; travel requests and prompt customer service.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% of Resident service requests referred to manager's office within 2 business days	100%	100%	100%	100%

BUDGET ISSUES FOR FY 2016-17

- Software Upgrade for Streaming of City Council Meetings

ACCOMPLISHMENTS FOR FY 2015-2016

- Attended meetings and prepared City Council Minutes
- Submitted boards, committees & commissions appointments to Secretary of State by September 2015
- Provided a general overview of the City Clerk's Office at Durham City College
- Provided proper notice of meetings in accordance with NC Opens Meetings Law
- Assured timely attestation for city contracts and other city documents
- Maintained official records and provided public records to customers as requested within timely manner
- Provided adopted ordinances and resolutions to city departments within a timely manner
- Assisted City Manager's Office with paperless agenda process
- Published video/audio of City Council meetings to web within 24 hours of meeting
- Researched and provided numerous record requests for internal and external customers
- Provided administrative support to the Mayor and Members of the City Council

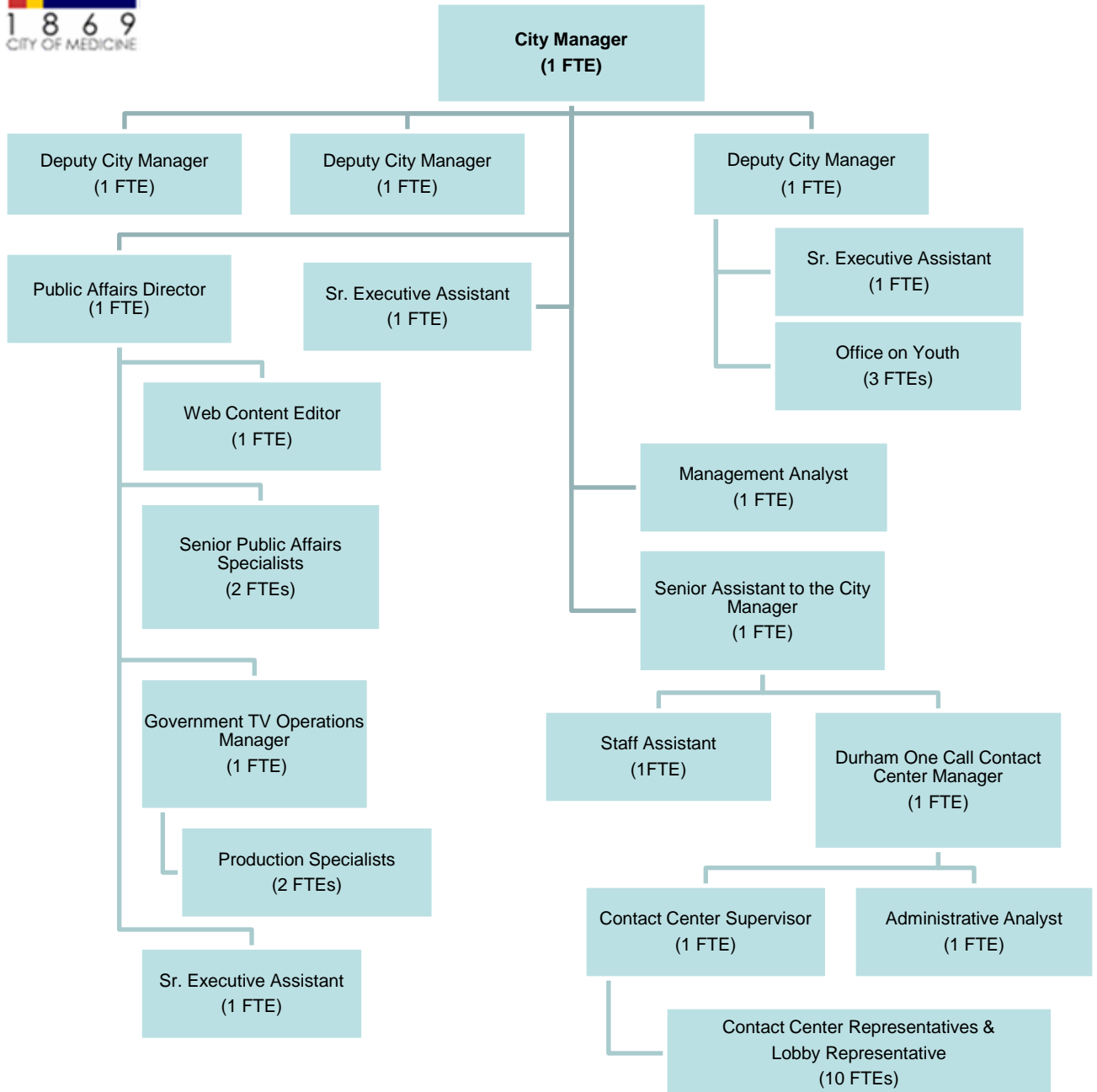
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Software Upgrade for Streaming of City Council Meetings
- Continue to provide proper notice of meetings in accordance with NC Opens Meetings Law
- Continue to attend meetings prepare City Council Minutes
- Submit boards, committees & commissions appointments to NC Secretary of State by September 2016
- Continue to provide administrative support to the Mayor and Members of the City Council
- Continue publishing video/audio of City Council meetings to web within 24 hours of meeting
- Continue assisting with paperless agenda process
- Continue to maintain official records and provide public records to customers



City Manager's Office

(33 FTEs)



CITY MANAGER

Purpose Statement:

The City Manager's Office implements policies and programs adopted by the Durham City Council and provides professional policy recommendations. The office provides leadership and overall direction for the City government and encourages employees to achieve the highest standards of efficiency, effectiveness, ethics and community involvement. The Office increases public awareness and understanding of Durham City government by developing, supporting and managing effective communications regarding City services and events. The Office fosters communication and develops partnerships to actively engage and benefit local youth. The Office also responds to inquiries from Durham citizens, businesses and its visitors and is responsible for overall customer service.

DEPARTMENT DESCRIPTION

City Manager's Office

\$3,307,532
33 FTEs

Administration

Administration provides executive management and oversight to all City departments. The City Manager is the City's Chief Administrative Officer. Administration coordinates the agenda process for City Council action, develops the legislative programs, develops and executes the annual departmental budget, and is responsible for leadership development and continuous learning opportunities for employees.

Public Affairs

The Public Affairs Office directs and supports the City's communications efforts to Durham citizens through proactive and responsive activities, including media relations, publications, advertising, special events, website content management and government television.

Durham One Call

Durham One Call is the central point of contact for residents, businesses and visitors. Durham One Call provides a high level of service in English and Spanish for customer inquiries and requests for service via telephone, email, voicemail, and in person at the City Hall lobby desk. Durham One Call is also available 24 hours a day 7 days a week via the City's website and smartphone application.

Office on Youth

The Office on Youth advocates for and develops strategies to engage youth throughout the City. The Office is responsible for developing partnerships and programs to enhance the well-being of youth. The Office promotes active participation of young people in the planning and decision making processes within the City of Durham.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 2,620,413	\$ 2,679,190	\$ 2,732,139	\$ 2,899,938	8.2%
Operating	272,539	377,494	395,423	407,594	8.0%
Capital and Other	-	25,000	25,000	-	-100.0%
Subtotal Appropriations	\$ 2,892,952	\$ 3,081,684	\$ 3,152,562	\$ 3,307,532	7.3%
Nondepartmental					
Legislative Program	\$ 267	\$ -	\$ -	\$ -	0.0%
Subtotal Nondepartmental	\$ 267	\$ -	\$ -	\$ -	0.0%
Total Appropriations	\$ 2,893,219	\$ 3,081,684	\$ 3,152,562	\$ 3,307,532	7.3%
Full Time Equivalents	31	32	33	33	1.0
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 2,883,091	\$ 3,072,884	\$ 3,143,762	\$ 3,298,732	7.3%
Program	10,128	8,800	8,800	8,800	0.0%
Total Revenues	\$ 2,893,219	\$ 3,081,684	\$ 3,152,562	\$ 3,307,532	7.3%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Public Affairs	General Fund:	\$709,426
		FTEs:	8
Goal:	Innovative & High Performing Organization		
Objective:	To inform and engage employees and city residents through a variety of media to increase awareness of City objectives and activities.		
Initiative:	Produce timely and effective communications through City and mainstream media to increase transparency of City programs, services and other efforts.		
Measures:	Actual FY15	Adopted FY 16	Estimated FY 16
# of Subscribers to E-Newsletter	915	971	1,050
% of Residents satisfied with availability of information about City programs or services*	N/A	65%	61%
% Increase of engaged users on Citywide social media accounts	72%	5%	151%
			Proposed FY 17
			1,102
			61%
			50%
Program:	Administration	General Fund:	\$1,497,016
		FTEs:	9

Goal: Innovative & High Performing Organization

Objective: To be good stewards of the City's money and sustain sound financial position 100% of the time.

Objective: To continuously improve the citizenship experience in the City of Durham.

Objective: To provide an organizational climate for employees that will support excellent service delivery.

Initiative: Expand employee training and development and enhance organizational communication.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY 16	FY 16	FY 17
% of Residents satisfied with public involvement in local decisions*	N/A	50%	66%	50%
Customer Service satisfaction	N/A	68%	61%	68%
% of Residents satisfied with value from taxes*	N/A	40%	38%	40%

Program: Durham One Call

General Fund: \$791,505

FTEs: 13

Goal: Innovative & High Performing Organization

Objective: To be the City's entry point for residents, businesses, and visitors, delighting the customer by providing exceptional service to external and internal customers.

Objective: To promote collaboration and increase efficiency between City departments.

Initiative: Promote increased customer engagement and satisfaction with the City of Durham.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY 16	FY 16	FY 17
% Customer satisfaction with Durham One Call service delivery	98%	90%	98%	90%
Average hold time before answer (in seconds)	124	60	115	60
Durham One Call responsiveness to electronic communication: % Served within one business day	96%	95%	96%	95%

Program: Office on Youth

General Fund: \$309,585

FTEs: 3

Goal: Strong and Diverse Economy

Objective: To increase the number of teens participating in teen programs in order to foster and encourage teen managed activities through which teens can develop leadership qualities and interpersonal skills within the center, as well as the broader community.

Initiative: At least twice a month, teens will be given the opportunity to participate in topics of discussion focusing on specific areas provided by local trained professionals.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY 16	FY 16	FY 17
Teen Center participation in programs	3,002	2,500	2,640	2,500
% of Satisfied Teen Center participants	87%	95%	92%	95%

* Note: Resident Satisfaction Survey occurs every other year.

BUDGET ISSUES FOR FY 2016-2017

- None

ACCOMPLISHMENTS FOR FY 2015-2016

- Responded to the results of the 2014-2015 Employee Satisfaction Survey with the development of the “We’re Listening” campaign to promote increased employee engagement with City management.
- Provided initial review and ongoing coordination of the City’s response to the 2015 Resident Satisfaction Survey results.
- Supported leadership development across the organization through the Executive Leadership Academy for Department Directors and City management.
- Initiated community-oriented search process for new Police Chief.
- Undertook a Customer Service Assessment to review how customer service is performed across the City, including opportunities to maximize use of City resources and standardize customer service performance standards and metrics.
- Spearheaded 3rd Annual Citywide National Customer Service Week Campaign and hosted Citywide Customer Service Professional Conference in October 2015.
- Hired an additional Contact Center Representative in Durham One Call to help address rising call volume and reduce average customer hold time.
- Organized and participated in a successful City-County Habitat for Humanity volunteer project.
- Completed Citywide communications review and plan, including the creation of a new Internal Communications Specialist position to promote employee communication and engagement.
- Increased social media engagement by more than 140 percent.
- Sponsored a Management Internship for summer 2015 to help develop future local government professionals and to provide needed analytical support.
- Led the Durham Youth Commission in hosting a statewide conference for youth commissions across North Carolina in Durham.

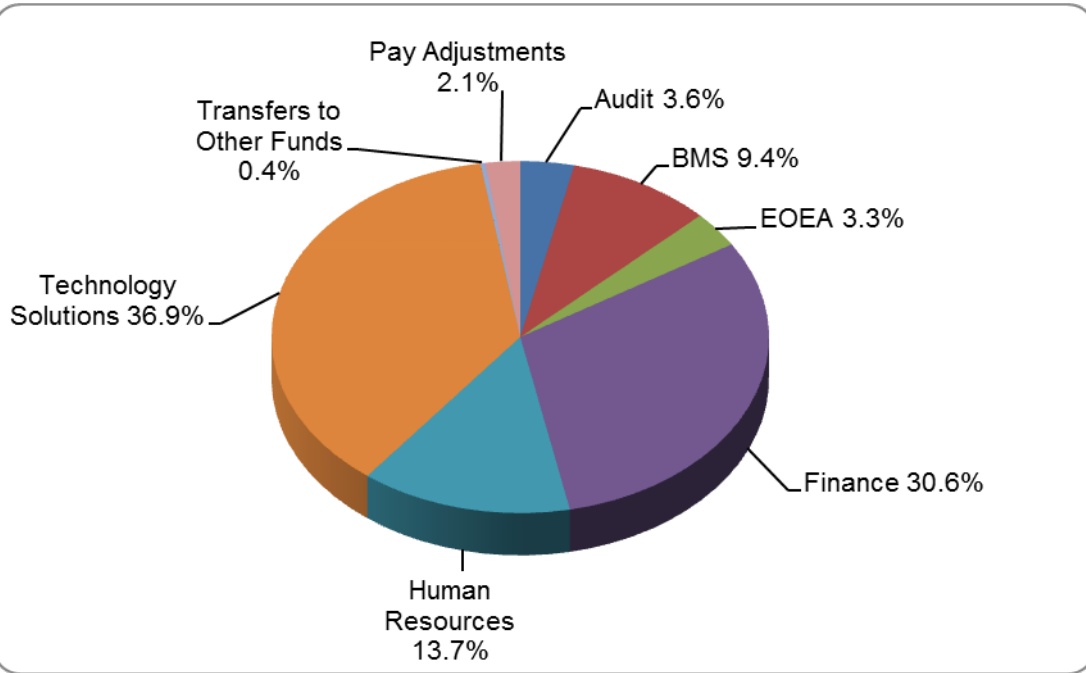
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-2017

- Improve Citywide customer service by implementing the recommendations of the Customer Service Assessment.
- Continue providing increasingly effective social media engagement with residents and community members.

ADMINISTRATIVE AND SUPPORT BUDGET SUMMARY

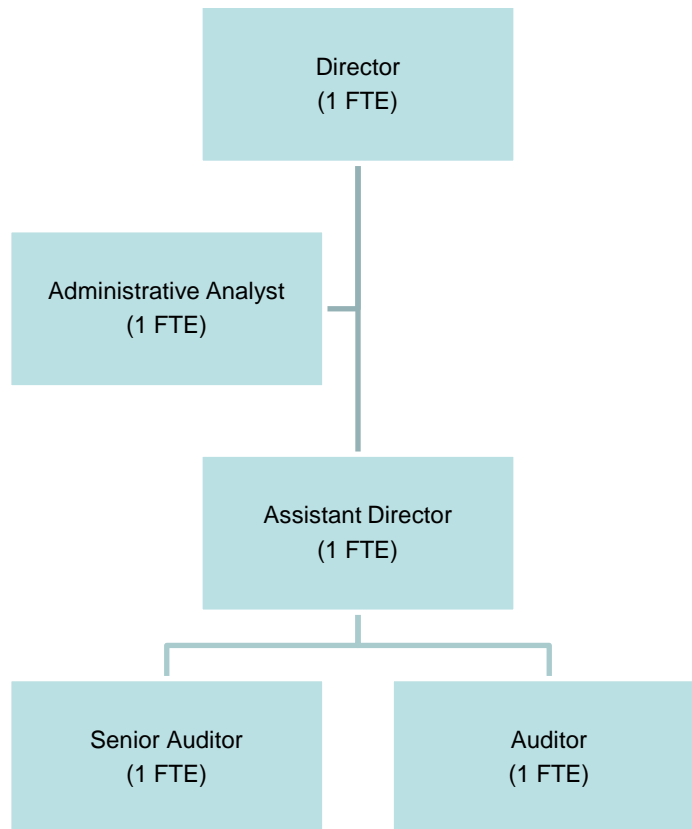
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Non-Grant Appropriations					
Audit Services	\$ 512,620	\$ 561,899	\$ 577,395	\$ 587,154	4.5%
Budget and Management Services	1,275,077	1,511,107	1,297,297	1,248,633	-17.4%
Equal Opportunity and Equity Assurance	525,523	531,841	564,874	557,920	4.9%
Mayor's Committee for Disabled	3,706	5,500	2,910	5,000	-9.1%
Finance	4,668,115	4,931,101	4,985,559	5,317,138	7.8%
Human Resources	1,858,743	1,980,711	2,220,414	2,655,376	34.1%
Flex Reimbursement	30,000	30,000	30,000	85,000	-50.0%
Unemployment Compensation	167,990	200,000	60,000	100,000	-19.6%
Technology Solutions	5,842,065	5,944,377	6,503,064	6,558,012	10.3%
Pay Adjustments/Others	259,263	364,686	317,956	150,802	0.0%
Transfers to Other Funds	48,709	48,719	48,719	-	-100.0%
Total Appropriations	\$ 15,191,811	\$ 16,109,941	\$ 16,608,188	\$ 17,265,035	7.2%
Full Time Equivalents	129	128	128	128	-
Part Time	2	1	1	1	-
Revenues					
General Fund					
Discretionary	\$ 13,951,136	\$ 14,560,649	\$ 14,931,437	\$ 15,480,876	6.3%
Program	576,840	785,511	776,887	778,078	-0.9%
General Fund Subtotal	\$ 14,527,976	\$ 15,346,160	\$ 15,708,324	\$ 16,258,954	5.9%
Water and Sewer Fund	205,159	199,786	229,818	211,112	5.7%
Risk Claims Fund	374,521	480,356	583,626	707,942	-1.2%
Employee Insurance Fund	84,155	83,639	86,420	87,027	4.1%
Total Revenues	\$ 15,191,811	\$ 16,109,941	\$ 16,608,188	\$ 17,265,035	7.2%

ADMINISTRATIVE AND SUPPORT





Audit Services (5 FTEs)



AUDIT SERVICES

Purpose Statement

To provide independent, objective assurance and investigative services.

DEPARTMENT DESCRIPTION

Audit Services

\$ 587,154
5 FTEs

Auditing is an independent appraisal function designed to examine and evaluate activities within the City as a service to management, the Audit Services Oversight Committee (ASOC), and elected officials. Auditing provides assurance that internal controls are adequate to minimize risks and add value through effective and efficient operations. External entities are also subject to review to determine whether revenues have been properly remitted to the City, and whether grant or pass-through funds are appropriately utilized.

The Audit Services Department conducts compliance and performance audits, non-audit services (e.g. participation in: the Departmental Strategic Plan; outside Peer Review teams; and the New Employee Training-Ethics component) and performs investigations and special reviews. The Department is responsible for administration of the external audit contract as well as obtaining an external peer review of the Department's activities. The Department maintains a confidential Fraud, Waste, and Abuse tip Hotline to help ensure fiscal responsibility and accountability throughout the organization.

Audit Program

This Program provides independent assurance that internal controls are adequate to minimize risks and safeguard City assets. Departmental management assigned to this Program organize human and capital resources through planning, leading, staffing and controlling activities; and they serve as project manager for the City-wide financial audit including administration of the contract and RFP process.

Fraud, Waste and Abuse

This Program promotes an anonymous means to detect, deter and prevent fraud, waste or abuse in conjunction with ensuring on a daily basis, that the City's ethical culture is underpinned with sound best practices (e.g. regular training of the Ethics Policies).

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 425,671	\$ 464,371	\$ 462,867	\$ 488,626	5.2%
Operating	86,949	97,528	114,528	98,528	1.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 512,620	\$ 561,899	\$ 577,395	\$ 587,154	4.5%
Full Time Equivalents	5	5	5	5	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 512,620	\$ 561,899	\$ 577,395	\$ 587,154	4.5%
Program	-	-	-	-	0.0%
Total Revenues	\$ 512,620	\$ 561,899	\$ 577,395	\$ 587,154	4.5%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: **Audit Program**

General Fund: \$411,008

FTEs: 3.5

Goal: Innovative and High Performing Organization

Objective: To provide independent and objective assurance and consulting services that enhance the efficiency and effectiveness of the City's services; and ensure resources are used in accordance with established laws.

Initiative: Complete comprehensive audits and quarterly follow-up reports and provide useful recommendations for management.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# Comprehensive audits completed	9	10	10	10
% of recommendations accepted by management	100%	100%	100%	100%
# Audits/Reports completed during the year per FTE	4	4	4	4

Goal: Innovative and High Performing Organization

Objective: Effectively communicate audit activities to assist the ASOC in fulfilling its oversight responsibilities.

Initiative: Present the Annual Audit Plan and monthly reports to the ASOC.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of audits approved on initial presentation	100%	100%	100%	100%

Goal: Innovative and High Performing Organization

Objective: Obtain training so staff can maintain certifications to meet required professional standards; and to sustain a highly trained professional staff.

Initiative: Meet the GAO's Government Auditing Standard that requires each auditor to complete at least 80 hours of Continuing Professional Education (CPE) every two years which contributes to each auditor's proficiency.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of CPE hours completed by the staff	132	160	160	160
% of Audit staff achieving professional certification	50%	100%	75%	100%

Goal: Innovative and High Performing Organization
Objective: Engage in continuous monitoring of critical processes.
Initiative: Evaluate existing technologies. Implement technologies to streamline/enhance department operations.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Active Strategic Plan initiatives meeting target implementation timeline	87%	87%	100%	80%
% of New critical processes identified compared to processes examined	N/A	N/A	N/A	60%

Goal: Innovative and High Performing Organization
Objective: To conform to requirements for contracting for the annual audit per North Carolina G.S.159-34.
Initiative: Comply with invoice processing and audit completion deadlines.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% Times financial audit report was completed by the designated 10/31 deadline	100%	100%	100%	100%
% of times annual financial audit was presented to ASOC members prior to being submitted to LGC	100%	100%	100%	100%

Program: Fraud, Waste and Abuse

General Fund: \$176,146
FTEs: 1.5

Goal: Innovative and High Performing Organization
Objective: To increase awareness about fraud, waste and abuse by communicating the need for ethical behavior regarding City financial transactions and relationships with customers, vendors and employees; and provide transactional examples for employees to identify potential fraud.
Initiative: Develop a culture of integrity by conducting activities such as City wide ethics training, internal controls training and hosting fraud awareness activities to keep the expectation of ethical excellence in the minds of City employees.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Fraud Hotline tip allegations commenced within 2 days of receipt	100%	100%	100%	100%
# of Fraud, waste and abuse allegations investigated	16	19	35	19
% of Fraud Hotline tips substantiated	40%	40%	25%	40%
% of employees who completed Ethics Training	96%	100%	98%	100%

BUDGET ISSUES FOR FY 2016-17

- The external audit fee will increased by 1% for FY 2016-17 and will increase 3% for FY 2017-18.

ACCOMPLISHMENTS FOR FY 2015-16

- Managed mandatory Ethics Training for 98% of full and part-time City staff through January 2016.
- Emphasized increased monitoring and internal control implementation through a combination of compliance and performance audits for activities such as the Dependent Eligibility Verification Performance Audit, the Development Review Process Performance Audit and the Accounts Payable Performance Audit.
- Developed performance measures for the new Departmental Strategic Plan.
- Held a fraud prevention awareness week of activities commemorating National Internal Audit Week; showcasing a fraud museum, and ending with a symposium with a keynote speaker.
- Volunteered at the City/County Habitat for Humanity House and participated in the Seven Stars campaign, hosting an event that contributed \$300 to the Ronald McDonald House of Durham.
- Utilized the ACL software application, Benford's Law, and computer aided audit techniques to better assess risks during audit engagements.
- Obtained a total of 160 hours of required continuing professional education in the department including ethics training for the professional staff.
- Two staff members completed the Chartered Global Management Accountant (CGMA) certification. This certification focuses on skills that enhance critical thinking to drive best business practices through decision modeling tools as well as enterprise risk management assessment tools.
- Completed four (4) employee engagement activities towards improvement of the 2015 employee satisfaction survey results.
- Monitored the Fraud, Waste and Abuse hotline; examined 24 allegations.
- Participated in City College, providing employees a general overview of the Audit Services Department.
- Participated as members of two Yellow Book Peer Review Teams (County of Fairfax, VA and the City of Chattanooga, TN).
- Taught eight sessions of the Ethics component of New Employee Orientation training.
- Began the Executive Leadership Academy sponsored by the City; and completed City sponsored developmental coaching.
- Completed three (3) departmental newsletters that highlighted audit engagement results and fraud, waste and abuse awareness.
- Completed the Public Executive Leadership Academy (PELA) sponsored by UNC-SOG.

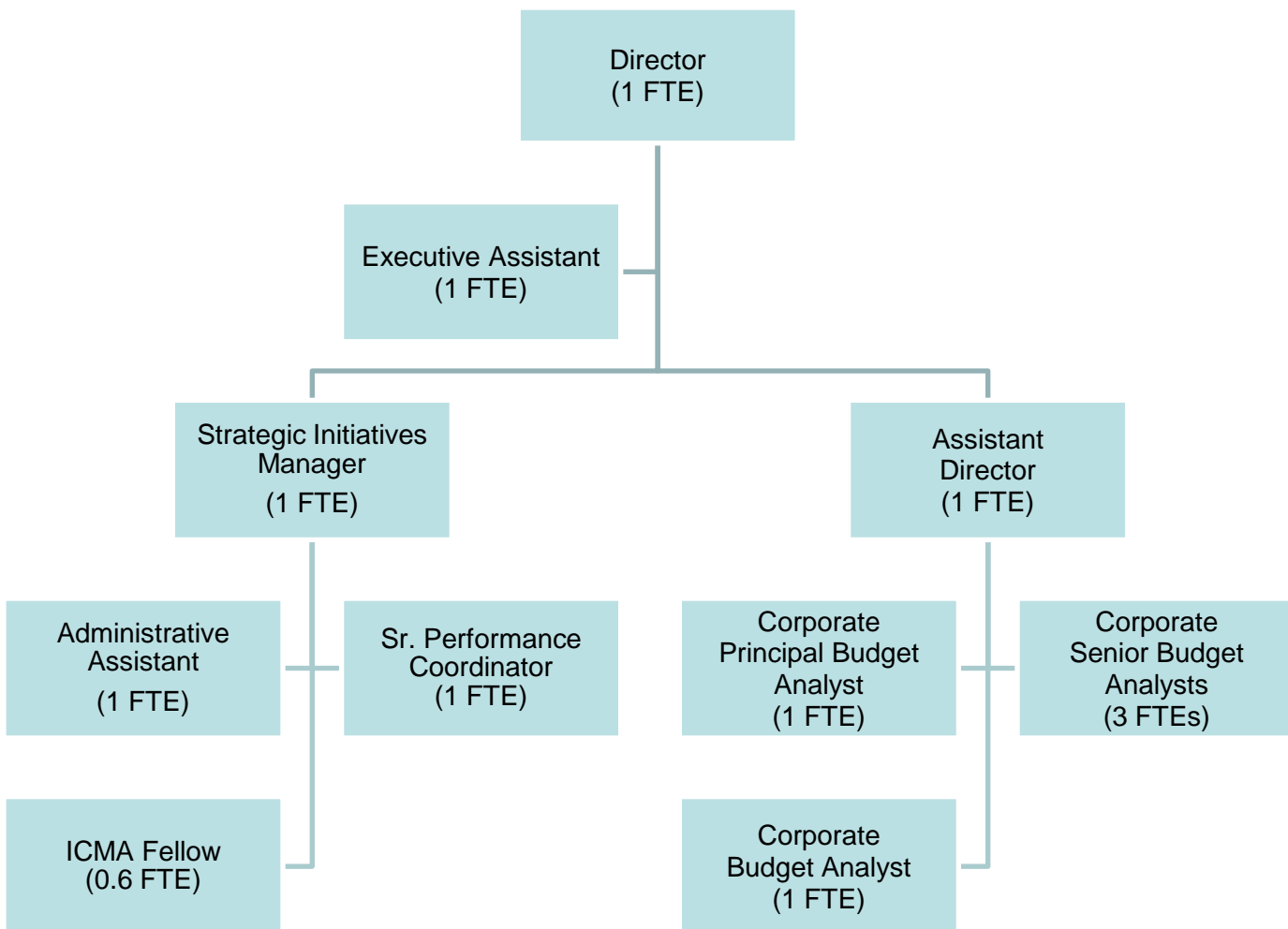
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Implement new initiatives and measures for the Departmental Strategic Plan.
- Apply continuous monitoring for selected processes as a result of using the MUNIS integrated modules.
- Implement widely important goals (WIG) performance metrics.
- Evaluate and continue to develop specific training, career development and certification plans for Audit staff.
- Continuously research best practices to complement and augment the risk-based audit work plan process.
- Produce a quarterly newsletter that will provide "best practices" of specific targeted control issues, and update the community on fraud, waste and abuse issues.
- Participate in City College to provide a general overview to employees of the Audit Services Department.
- Participate in the building of a Habitat for Humanity house; and volunteer to help positively impact the Mayor's Poverty Initiative in Durham.
- Develop and implement strategies to improve employee satisfaction within the department by using results from the Employee Satisfaction Survey to impact positive change.
- Seek to integrate outside experts in the areas of ethics and internal controls to supplement in house staff training.
- Implementation of wildly important goal (WIG) developed in conjunction with Executive Leadership Academy coaching.



Budget & Management Services

(11 FTEs)



BUDGET AND MANAGEMENT SERVICES

Purpose Statement:

To inform decision making, align resources with organizational priorities, and improve the performance of employees and processes.

DEPARTMENT DESCRIPTION

Budget and Management Services

\$1,248,633
11 FTEs

The department is primarily responsible for the development and oversight of the City's annual budget and Capital Improvement Program (CIP). The department is also responsible organizational development, performance management and strategic planning. The department provides policy and management analysis to support decision making. The department primarily supports two Strategic Plan goals; Well Managed City and Stewardship of the City's Physical Assets.

Other departmental responsibilities include training and support for the MUNIS / ERP budgeting module, the coordination of cross-organization training and leadership initiatives such as Culture of Service, and participation in downtown and neighborhood economic strategies. Overall the department is focusing on furthering the goal of transparency and accountability with its operations and communications and enhancing citizen and employee engagement.

Administration

Administration provides leadership and administrative support both within the department and throughout the City government.

Annual Budget and Capital Improvement Program (CIP) Development, Monitoring and Reporting

This program provides for the development and oversight of the City's annual budget and CIP. Also, supports the Citizen Capital Improvement Panel (CCIP) and CIP project website.

Office of Innovation and Performance

Maintains the Citywide Strategic Plan and provides support in the development of departmental strategic plans, to translate the City's vision and goals into a comprehensive plan which aligns the actions and tasks of all departments within the City of Durham's goals. Also serves as the administrative owner of the performance management system and will support departments through management consulting, measurement identification, data analysis, performance reporting, training, and coaching. Provides oversight of the resident opinion survey.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 1,125,222	\$ 1,197,145	\$ 1,143,875	\$ 1,150,654	-3.9%
Operating	149,855	313,962	153,422	97,979	-68.8%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 1,275,077	\$ 1,511,107	\$ 1,297,297	\$ 1,248,633	-17.4%
Full Time Equivalents	12	12	11	11	-1
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 1,275,077	\$ 1,511,107	\$ 1,297,297	\$ 1,248,633	-17.4%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,275,077	\$ 1,511,107	\$ 1,297,297	\$ 1,248,633	-17.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Annual Budget Development, Monitoring and Reporting **General Fund:** \$719,183
FTEs: 6.0

Goal: Innovative and High Performing Organization

Objective: To provide a budget document that meets the program criteria of the Government Finance Officers Association (GFOA) and serves as a policy document, operations guide, and financial plan for the City.

Initiative: Develop a budget document that qualifies for GFOA Distinguished Budget Presentation Award.

	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
Measure:				
Received GFOA distinguished budget	YES	YES	YES	YES

Objective: To project General Fund discretionary revenues to within 1% of actual revenues received.

Initiative: Develop revenue estimates based on information obtained from other city departments, state agencies, and the Durham County Tax Office.

	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
Measure:				
% Accuracy of discretionary General Fund revenue projection	4.6%	±1.0%	1.59%	±1.0%

Objective: To provide timely and accurate reports to update the City Manager and City Council on the City's current and future financial position and to support decision making.

Initiative: Present quarterly financial reports to the City Manager and City Council and post reports on the City's internet.

	Actual	Adopted	Estimated	Proposed
Measure:	FY 15	FY 16	FY 16	FY 17
% Reports issues on schedule	100%	100%	100%	100%

Objective: To project City department budgets and fund budgets at or below budget.

Initiative: Provide monthly reconciliations of City budgets, and work with departments to ensure that revenues and expenditures are monitored and accurately forecasted.

	Actual	Adopted	Estimated	Proposed
Measure:	FY 15	FY 16	FY 16	FY 17
% Departments at or below net funding	100%	100%	100%	100%

Program:	Annual Capital Improvement Program Development, Monitoring and Reporting	General Fund:	\$106,329
		FTEs:	1.0

Goal: Stewardship of City's Capital Assets

Objective: To invest in public infrastructure.

Initiative: Manage decision-making process and information that allows for strategic investment in

	Actual	Adopted	Estimated	Proposed
Measures:	FY 15	FY 16	FY 16	FY 17
% of requested General Fund CIP projects approved for funding	87%	70%	73%	70%

Program:	Office of Performance, Planning, and Process	General Fund:	\$356,955
		FTEs:	3.0

Goal: Innovative and High Performing Organization

Objective: To initiate process improvements in City government that will increase the efficiency and effectiveness of operations.

Initiative: To develop revised strategy for process improvements.

	Actual	Adopted	Estimated	Proposed
Measures:	FY 15	FY 16	FY 16	FY 17
# of Process improvement initiatives completed	0	1	0	1
% of Approved process improvement recommendations implemented by original target date	0%	100%	0%	100%

% of No cost process improvement recommendations implemented within 6 months of final approval	0%	100%	0%	100%
Staff hours/cost per process improvement	N/A	150/\$5,100	N/A	150/\$5,100

Objective: Engage in Continuous Process Improvements.

Initiative: Ensure implementation of all department strategic plan initiatives.

Measures:	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
% Accuracy of Citywide Strategic Plan Measures per Annual Audit	80%	95%	90%	95%
% of Departments with Strategic Plans	79%	100%	88%	100%

Program: Administration	General Fund: \$66,166
	FTEs: 1.0

Goal: Well-Managed City

Objective: Ensure effective internal and external communication/satisfaction.

Initiative: Develop an action plan to address any issues on the employee opinion survey scoring below 70%. Improve communication and satisfaction with external customers (City Departments). Evaluate the level of effectiveness of various means of internal communication. Implement communication strategies identified as most effective.

Measures:	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
% of departments surveyed rating the budget process at satisfied or above	79%	80%	96%	80%

BUDGET ISSUES FOR FY 2016-2017

- Implementation of the City strategic plan.
- Development and implementation of departmental strategic plans.
- Development of departmental performance measures.
- Continued refinement of the Priority Based Budgeting Process.
- Continuation of the Joint City-County Resident Survey.
- Implementation of Internal Innovation fund and development of an "Idea Starter" structure.
- Implementation of a City-wide performance measurement and monitoring system.
- Improvements in the monitoring of strategic plan objectives, measures, and initiatives.
- Continued refinement of performance based budgeting for all departments.

ACCOMPLISHMENTS FOR FY 2015-16

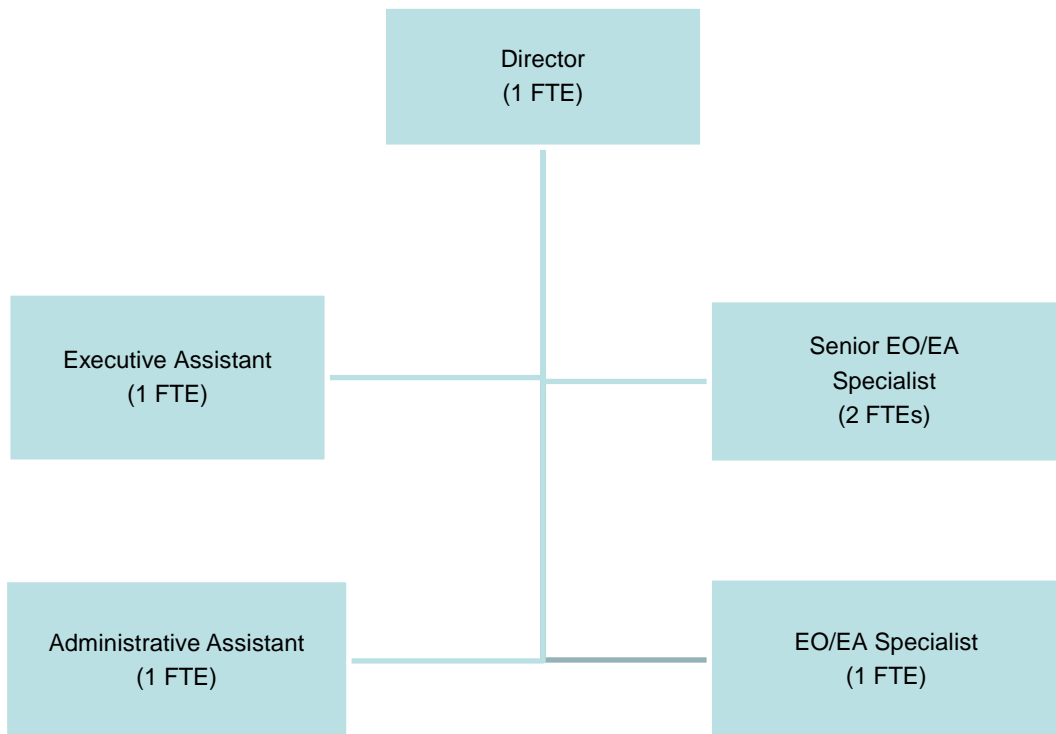
- Granted the Distinguished Budget Document award for the FY2014-15 budget from the Government Finance Officers Association. This is the 26th consecutive year that the City has received this award.
- Staffed the Citizen's Capital Improvement Panel (CCIP) Advisory Committee for the 13th year to enhance citizen participation in the prioritization and oversight of capital needs, as well as an Internal CIP Advisory Committee to improve coordination of capital projects within the City.
- Coordinated five Coffees with Council, a citywide PAC meeting, internet engagement activities, an e-Town Hall with Council, and two public hearings in an effort to solicit feedback from Durham residents and City employees on budget priorities for the upcoming fiscal year.
- Maintained a website for citizens and City staff to track annexation requests and further the goal of enhanced communications.
- Processed thirteen voluntary annexation petitions.
- Developed the City Manager recommended annual budget for FY2015-16 and the Capital Improvement Plan for FY2015-20 on May 19, 2015.
- Posted the FY2015-16 final budget document to the City web site on June 30, 2015, and distributed thereafter.
- Maintained the CIP website to enable citizens to track the progress of capital improvement projects.
- Provided quarterly financial updates to the City Manager and Council. Proactively evaluated the fiscal impact of economic challenges, particularly with respect to revenues and development activity, and proposed effective financial strategies to prevent overspending and ensure a balanced FY2015-16 budget.
- Provided ongoing education opportunities to the public on the budget process and development of the FY2015-16 budget.
- Coordinated implementation of the FY2016 joint City-County resident survey.
- Created and maintained a strategic plan dashboard for citizens and City staff to track progress on objectives, measures and initiatives and to obtain general information about the City's Strategic Plan.
- Reassessed the process improvement program to align with current resources.
- Continued coordination and oversight of the departmental Strategic Planning process.
- Led a cross-departmental team as part of Alliance for Innovation's "Innovation Academy" to begin to foster a culture of innovation.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Develop and publish the FY2017-18 Budget and FY2018-23 Capital Improvement Plan.
- Monitor annual operating and CIP budgets.
- Refine the multi-year financial model.
- Refine the CIP model.
- Continue implementation of the Citywide strategic plan to include all joint City/County initiatives.
- Coordinate and provide oversight on the Departmental strategic planning process and implementation.
- Coordinate the development and implementation of strategic plan departmental dashboards.
- Continue oversight of process improvement program.
- Provide quarterly financial updates to the City Manager and Council.
- Provide monthly financial updates to the City Manager.
- Coordinate annual Coffees with Council and other budget outreach efforts.
- Coordinate the evaluation and updating of departmental performance measures.
- Perform cost benefit analyses on voluntary annexation petitions as received.
- Maintain the CIP website.
- Continue to integrate Strategic Initiatives resources within the department to enhance the citywide focus on performance and delivery of services, leadership development, and a culture of service.
- Continue to refine departmental performance measures.
- Refine the Priority Based Budgeting process.
- Select and implement a city-wide performance measurement software system.



Equal Opportunity/ Equity Assurance (6 FTEs)



EQUAL OPPORTUNITY AND EQUITY ASSURANCE

Purpose Statement:

To promote an environment that supports small business growth and inclusion.

DEPARTMENT DESCRIPTION

Equal Opportunity and Equity Assurance

\$562,920
6 FTEs

The Department of Equal Opportunity/Equity Assurance is responsible for the implementation of the City's Equal Business Opportunity Program (EBOP) and Small Local Business Enterprise Program (SLBEP). Responsibilities include:

- Recruitment of minority and women underutilized business enterprises (UBEs) and small local business enterprises (SLBEs) eligible to participate in the EBOP and SLBEP.
- Certification of SLBE firms to service City contracts in the areas of construction and professional services.
- Maintenance of the SLBE database of all currently certified businesses.
- Business development through the provision of technical assistance and support.
- Staff support to the EBOP Steering Committee and the Mayor's Committee for Persons with Disabilities.
- Project identification for potential contracting opportunities from City departments.
- UBE/SLBE participation goal setting.
- EBOP and SLBEP compliance determination.
- Monitoring of UBE and SLBE participation in City contracting activity.
- Reporting of UBE and SLBE participation on City contracts and reporting on special projects as requested.
- Monitoring City compliance with Senate Bill 914 reporting requirements.

Business Services

Services consist of UBE/SLBE business recruitment, certification /recertification, database management, goal setting, compliance monitoring and reporting and news brief.

Administrative Services

Services consist of program operations, policy development, financial operations, Human Resources functions, program monitoring, city and state compliance.

Technical Assistance Services

Series of small business development programs to include business finance, legal issues, bidding/estimating, small business technology, project management and other topics based on identified need.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 480,025	\$ 508,106	\$ 541,346	\$ 533,685	5.0%
Operating	45,498	23,735	23,528	24,235	2.1%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 525,523	\$ 531,841	\$ 564,874	\$ 557,920	4.9%
Mayor's Committee for Persons with Disabilities	\$ 3,706	\$ 5,500	\$ 2,910	\$ 5,000	-9.1%
Subtotal Nondepartmental	\$ 3,706	\$ 5,500	\$ 2,910	\$ 5,000	-9.1%
Total Appropriations	\$ 529,229	\$ 537,341	\$ 567,784	\$ 562,920	4.8%
Full Time Equivalents	5	6	6	6	-
Part Time	1	-	-	-	-
Revenues					
Discretionary	\$ 529,229	\$ 537,341	\$ 567,784	\$ 562,920	4.8%
Program	-	-	-	-	0.0%
Total Revenues	\$ 529,229	\$ 537,341	\$ 567,784	\$ 562,920	4.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Business Services	General Fund:		\$275,121
		FTEs:		3.25
Goal:	Strong and Diverse Economy			
Objective:	SDBEs will receive a percentage of City of Durham construction and professional services contracting dollars.			
Initiative:	Recruit SDBE firms, seek and make available economic and business development opportunities for SDBE firms and monitor participation.			
Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of dollars spent with minority-owned SDBEs in professional services	3%	5%	5%	8%
% of dollars spent with minority-owned SDBEs in construction	4%	5%	7%	11%
% of dollars spent with women-owned SDBEs in professional services	13%	5%	5%	6%
% of dollars spent with women-owned SDBEs in construction	2%	5%	5%	7%

Objective: To make economic and business development opportunities in construction of up to \$500,000 and professional services \$100,000 or less available to Small Local Business Enterprises (SLBEs) in the Durham Metropolitan Statistical Area (MSA).

Initiative: Implement Durham Small Local Business Enterprise Program and monitor contracts awarded to SLBEs.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of professional services dollars spent with SLBEs from contracts \$100,000 or less	45%	25%	25%	25%
% of construction dollars spent with SLBEs from contracts \$500,000 or less	28%	25%	25%	25%

Program: Administrative Services **General Fund:** \$245,456
FTEs: 2.25

Goal: Innovative and High Performing Organization

Objective: To find City contracting activity in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting 100% of the time.

Initiative: Audit contract compliance in the OnBase Contract Workflow System.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of contracts found in compliance with ordinance	83%	100%	90%	100%

Program: Technical Assistance Program **General Fund:** \$37,343
FTEs: 0.5

Goal: Strong and Diverse Economy

Objective: Provide at least six educational programs to at least 10 small businesses per session.

Initiative: Offer series of educational programs focused on identified needs of small businesses and promote participation in programs.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of small business participants per session	9	10	10	10
Average cost per session	\$ 469	\$422	\$422	\$422

Program: Mayor's Committee for Persons With Disabilities **General Fund:** \$5,000

BUDGET ISSUES FOR FY 2016-17

- Maintaining current departmental service level to fulfill the responsibilities of the Equal Business Opportunity Program and Small Local Business Enterprise Program.
- Adequate departmental transition with the retirement of three staff,

ACCOMPLISHMENTS FOR FY 2015-16

- Sought business opportunities for certified small disadvantaged business enterprises (SDBEs) in all City contracting, as well as Durham County Government, Durham Public Schools projects and private sector projects.
- Certified nine new firms to service contracting opportunities in the SLBE Program.
- Completed analysis and implementation strategy for Disparity Study recommendations.
- Monitored our departmental Strategic Plan.
- Conducted successful Minority Enterprise Development Week activities that included: a Honors Breakfast attended by approximately 135 persons and highlighted by honoring five small businesses, a forum on new Durham development projects attended by approximately 75 participants, a speed learning and networking event with the Durham Chamber of Commerce attended by approximately 40 participants, a Construction Business After Hours attended by approximately 100 participants, a Minority Business Fair in conjunction with the Greater Durham Black Chamber of Commerce with approximately 100 attendees and a MED Week Golf Day with approximately 50 participants for golf and the golf clinic.
- Conducted six technical assistance seminars on various business development topics with an average of nine persons in attendance.
- Sent bid opportunities to SDBEs every two weeks and to SLBEs as information became available to advise them of business and educational opportunities and other information of interest to business owners.
- Recognized by the Greater Durham Black Chamber of Commerce for support of small minority businesses.
- Provided support and assistance to the Mayor's Committee for Persons with Disabilities for their activities: recognition of six employers who hire persons with disabilities; backpacks and boxes of paper for exceptional students in Durham Public Schools; donations of clothing, books and toys to children at Urban Ministries of Durham; served as Co-host for NC Division of the Blind Conference; participated in the City of Durham Parks & Recreation Disable the Label event and donated three pieces of used medical equipment (one Walker, two wheelchairs) to Project Access Durham.

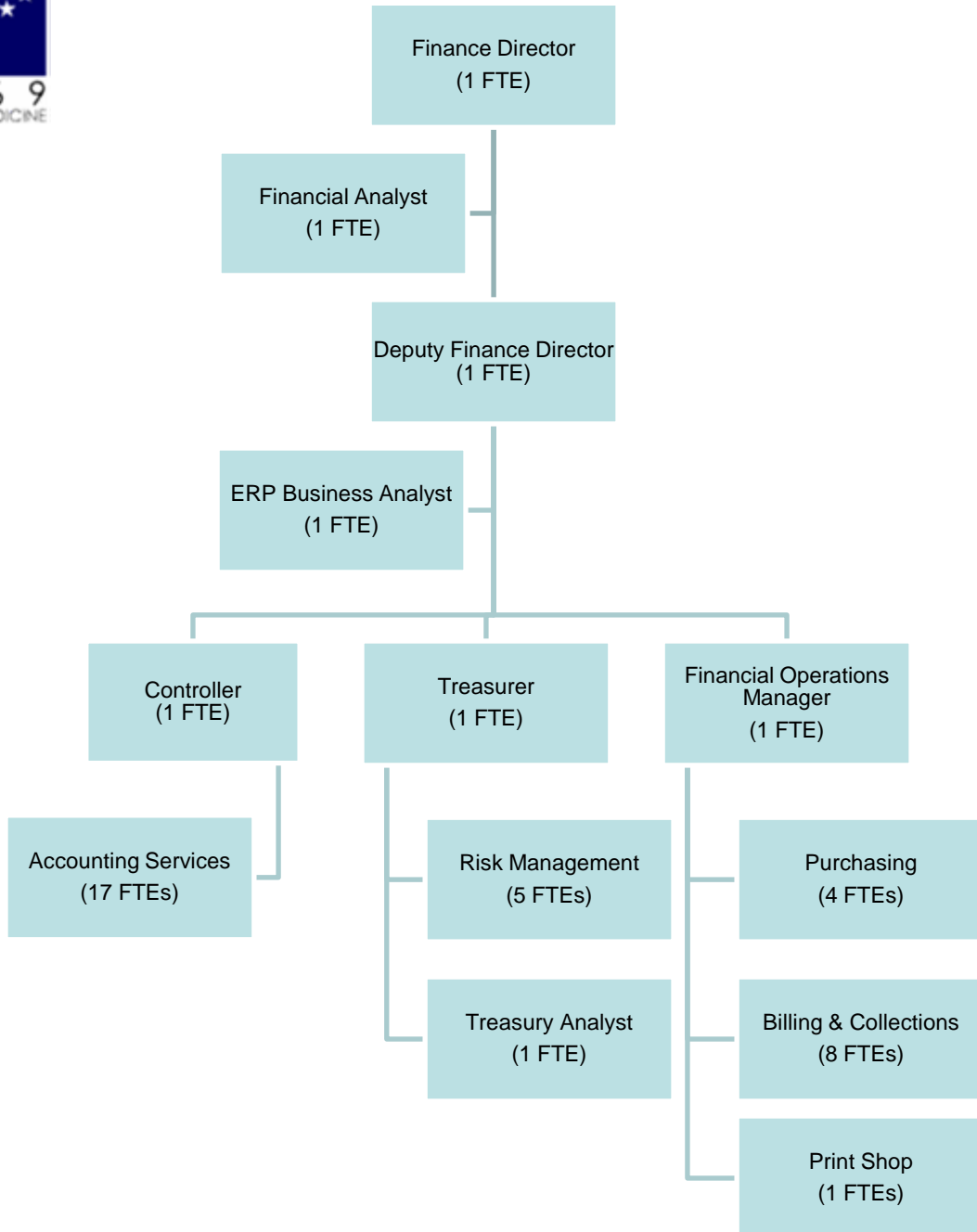
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Implementation of revised EBOP Ordinance and other recommendation of the Disparity Study.
- Continue monitoring of our departmental strategic plan's goals, objectives, initiatives and measures.
- Continue business services to include educational programs designed to support small business development and capacity-building.
- Continue efforts to increase the utilization of UBEs and SLBEs and the dollars they obtain through City contracting activity.
- Actively seek specific business opportunities for UBEs and SLBEs on all City projects.
- Employee recruitment and hiring of staff to replace three retirees.
- Maintain high level of departmental employee satisfaction.



Finance

(43 FTEs)



FINANCE

Purpose Statement:

To protect the City's assets, efficiently process and record financial transactions, maintain fiscal integrity, provide timely, accurate and comprehensive financial reporting and analysis, and to professionally and prudently enhance the City's financial position.

DEPARTMENT DESCRIPTION

Finance

\$5,317,138
43 FTEs

The department is primarily responsible for enhancing the City's financial position. The department is divided into seven divisions: the office of the director, accounting services, treasury management, billing and collections, risk management and safety, purchasing, and the print shop.

Among other things, the department's budget includes the fees associated with the following contract payments to outside service providers: the fees to Durham County associated with the collection of property tax revenue under the interlocal tax contract; the fees associated with the provision of banking and lockbox services for the maintenance of the City's bank accounts; and, the fees for investment advisory services to manage a portion of the City's portfolio.

Office of the Director

This program provides leadership and management direction for the department and policy formulation and analysis for the City.

Payroll

This program processes the biweekly payroll checks for approximately 2,300 City employees.

Accounts Payable

This program provides accounts payable for approximately 65,000 invoices per year.

Financial Reporting

This program provides financial reporting including CAFR, annual and quarterly financial reports, and federal, state, and other agency reports.

Purchasing

This program provides a centralized approach for bid specifications and solicitations for apparatus, supplies, equipment, and materials for all departments. Also included are contract compliance and disposal of surplus property.

Treasury Management

This program provides cash, investment portfolio, debt management, and banking services oversight and management.

Interlocal Tax Contract

Interlocal property tax collection contract with Durham County.

Billing and Collections

This program provides a centralized approach for non-utility billing, issues business licenses, and provides a centralized approach for cash collections of all revenues due the City.

Print Shop

This program provides a full service copy and printing shop as well as mail services.

Risk Management & Safety

This program provides claim management, supports departments in occupational safety and OSHA compliance, and coordinates occupational health services.

RESOURCE ALLOCATION					
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 3,393,631	\$ 3,352,044	\$ 3,353,782	\$ 3,471,285	3.6%
Operating	1,274,484	1,579,057	1,631,777	1,845,853	16.9%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 4,668,115	\$ 4,931,101	\$ 4,985,559	\$ 5,317,138	7.8%
Full Time Equivalents	47	43	43	43	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,965,013	\$ 4,198,429	\$ 4,257,560	\$ 4,597,745	9.5%
Program	123,422	125,564	119,940	105,720	-15.8%
Total General Fund	\$ 4,088,435	\$ 4,323,993	\$ 4,377,500	\$ 4,703,465	8.8%
Water and Sewer Fund	205,159	199,786	229,818	211,112	5.7%
Risk Claims Fund	374,521	407,322	378,241	402,561	-1.2%
Total Revenues	\$ 4,668,115	\$ 4,931,101	\$ 4,985,559	\$ 5,317,138	7.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **General Fund: \$822,950**
FTEs: 5

Goal: Well-Managed City

Objective: To maintain the highest possible credit ratings from all ratings agencies.

Initiative: To present information to the rating agencies that illustrates the City's financial, administrative, and economic strengths.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
Credit rating issued by S&P	AAA	AAA	AAA	AAA
Credit rating issued by Fitch	AAA	AAA	AAA	AAA
Credit rating issued by Moody's	Aaa	Aaa	Aaa	Aaa

Program: Payroll **General Fund: \$263,456**
FTEs: 3.5

Goal: Well-Managed City

Objective: To process each bi-weekly payroll on time with error rate of less than 0.02%.

Initiative: To utilize best practices and continuously improve quality.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Payroll checks issued	1,944	3,200	3,200	3,250
# Direct deposits	68,971	70,250	70,250	70,000
# Checks/advices issued with errors	5	8	1	6
% Checks/advices issued without error	99.99%	99.99%	99.99%	99.99%

Objective: To ensure that all balance sheet general ledger accounts associated with payroll are maintained accurately.

Initiative: To perform account reconciliations thoroughly each accounting period according to the established schedule.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# GL accounts reconciled	1,480	1,600	1,600	1,600
% GL accounts reconciled (corrected if necessary) each month	100%	100%	100%	100%

Program: Accounts Payable

General Fund: \$359,703

FTEs: 5.5

Goal: Well-Managed City

Objective: To pay 90% of all invoices within 30 days of invoice date.

Initiative: To utilize best practices and continuously improve quality.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Invoices	61,836	65,000	65,000	65,000
% Invoices paid within 30 days	90.2%	90.0%	90.0%	90.0%

Objective: To maximize the number and percentage of invoices paid by electronic payment.

Initiative: To utilize best practices, reduce printing/postage costs, and continuously improve quality.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Checks issued	31,560	30,875	30,875	30,875
# Electronic payments	30,276	34,125	34,125	34,125
% Electronic payments	49.0%	52.5%	52.5%	52.5%

Program: Financial Reporting

General Fund: \$871,762

FTEs: 9

Goal: Well-Managed City

Objective: To prepare financial reports that are timely and of the quality warranting an unmodified audit opinion and GFOA awards for excellence in financial reporting.

Initiative: To prepare quality financial reports.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Was audit opinion unmodified?	Yes	Yes	Yes	Yes
Did CAFR receive GFOA award?	Yes	Yes	Yes	Yes
Did Popular Report receive GFOA award?	Yes	Yes	Yes	Yes
# Significant material findings in internal and external audits	0	0	0	0

Program: Purchasing

General Fund: \$405,072

FTEs: 4

Goal: Well-Managed City

Objective: To complete the purchasing cycle (requisition to PO) for 90% of purchases of commodities within 2 business days.

Initiative: To utilize best practices and continuously improve quality.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Purchase orders (PO)	17,431	15,500	15,500	15,000
% Purchase orders issued within 2 business days	90.5%	90.0%	90.0%	90.0%

Objective: To increase the number of Purchasing card users and transactions.

Initiative: To utilize best practices in procurement.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# P-Card users	393	400	405	420
# P-Card transactions	14,080	16,000	16,000	16,500

Objective: To complete 95% of all Finance Officer's pre-audit certification of contracts within 3 days of notification via OnBase.

Initiative: To manage and follow-up on the process.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Contracts	976	1,000	1,000	1,000
% Contracts certified within 3 days	99%	100%	99%	100%

Program: Treasury Management

General Fund: \$565,079

FTEs: 2

Goal: Well-Managed City

Objective: To ensure that investment earnings for idle funds exceed the cost of managing those funds and contribute to the "bottom line."

Initiative: To more actively manage the City's investment portfolio.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Investment % yield vs. average daily 2 year treasury yield for same period	+0.06%	+0.10%	+0.15%	+0.10%
Investment earnings	1,464,797	850,000	1,300,000	1,000,000

Program: Interlocal Tax Contract

General Fund: \$1,024,022

FTEs: 0

Goal: Well-Managed City

Objective: To ensure that the County Tax Collector maximizes the property tax collection rate.

Initiative: To utilize best practices and to maximize the collection rate.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Collection rate	99.61%	98.75%	98.75%	99.50%

Program: Billing and Collections

General Fund: \$324,269

FTEs: 4

Water & Sewer Fund: \$211,112

FTEs: 4

Goal: Well-Managed City

Objective: To ensure that adjustments are made to false alarm bills as infrequently as possible.

Initiative: To monitor performance of outside service provider and make recommendations to continuously improve quality

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
\$ Value of false alarm bills issued	461,216	400,000	400,000	380,000
% False alarm bills adjusted	0.66%	1.16%	0.93%	0.98%
# False alarms	15,222	10,900	15,500	15,000
# of false alarm bills issued	2,286	2,150	2,150	2,050

Objective: To ensure that payments received are posted accurately.

Initiative: To utilize best practices and continuously improve quality.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Payments posted accurately by Cashiering	99.82%	99.84%	99.95%	99.83%

Objective: To reduce the amount of delinquent accounts and increase collection rates.

Initiative: To pursue more aggressive collection efforts utilizing new tools such as collection agency, wage garnishment, bank account attachment, and other strategies as appropriate or allowed by law.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Delinquent UB accounts placed with collection agency	64.93%	60.00%	65.00%	62.21%
% Collection/recovery UB accounts - collection agency	13.28%	12.99%	13.96%	13.95%
Internal collections rate - select GB segments	55.07%	57.33%	57.40%	57.50%

Program: Risk Management and Safety

Risk Fund: \$402,561

FTEs: 5

Goal: Safe and Secure Community

Objective: To ensure the safety of city facilities and work-sites by increasing the number of safety inspections and by evaluating facility and site inspection reports to identify and correct hazards and potential hazards.

Initiative: To maintain continuous process improvement in the City's risk management and safety process.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Inspections	147	147	60	74
% City facilities inspected	129.3%	90.0%	40.8%	50.0%

Objective: To reduce the number of lost time claims.

Initiative: To develop new employee safety program that will include training more closely targeted at work hazards and exposures and other risks identified through claims analysis.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Lost time claims	40	26	34	30
% Claims reported within 3 days	88.00%	90.00%	90.00%	90.00%
% Claims generating lost time	15.10%	15.00%	15.00%	15.00%

Objective: To reduce at fault automobile accidents by 4%.

Initiative: To maintain continuous process improvement in the City's risk management and safety process.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# At fault auto accidents	159	151	125	120
% Reduction in number of at fault automobile accidents	29.2%	5.0%	21.4%	4.0%

Program: Print Shop

General Fund: \$67,152

FTEs: 1

Goal: Well-Managed City

Objective: To ensure that the Print Shop is utilized to the maximum extent possible to minimize total printing and duplicating services expenses.

Initiative: To utilize best practices and manage expenses.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Print jobs	1,150	300	500	300
% Print jobs produced in-house	79%	20%	31%	20%
# Impressions generated	3,493,782	150,000	500,000	150,000
% On Time Performance for Bill Print/Mail Service	100%	100%	100%	100%

BUDGET ISSUES FOR FY 2016-17

- Reductions in staffing levels over the past several budget years will continue to create challenges within the department as workloads and demands for services have not declined.
- Attracting and retaining qualified employees, succession planning, and maintaining the current high levels of morale will all continue to be issues for the upcoming fiscal year.

ACCOMPLISHMENTS FOR FY 2015-16

- Contributed to the Culture of Service to Co-workers initiative by hosting Safety Expo
- Analyzed various economic development projects
- Transitioned false alarms billing to new vendor
- Supported Transportation in transition to new parking management vendor
- Transitioned all aspects of pre-employment screening from Risk to HR
- Implementing IVR/on-line bill paying solution
- Transitioned DPR banking services from M&F Bank to Suntrust
- Increased the use of procurement cards by City departments and e-payables program to take advantage of rebates and to lower accounts payable costs
- Worked with Durham Bulls and General Services to update the long-term capital expenditure replacement schedule and to resolve maintenance issues
- Updated debt model and indirect cost plan based on latest round of assumptions
- Updated Storm Water, Water Management, and Parking Fund financial models
- Upgraded MUNIS ERP system to version 10.5
- Worked on implementation plan for installation of Tyler Cashiering Systems at Solid Waste, General Services, Public Works, Police, and Inspections
- Created new Inspections Special Revenue Fund and eliminated OPEB, LEO, and Cemetery Maintenance funds
- Received a "clean" and unmodified audit opinion, with no issues to report in the Management Letter, on the FY 2014-15 financial statements along with a single audit report that identified no findings related to the City's expenditure of Federal Funds

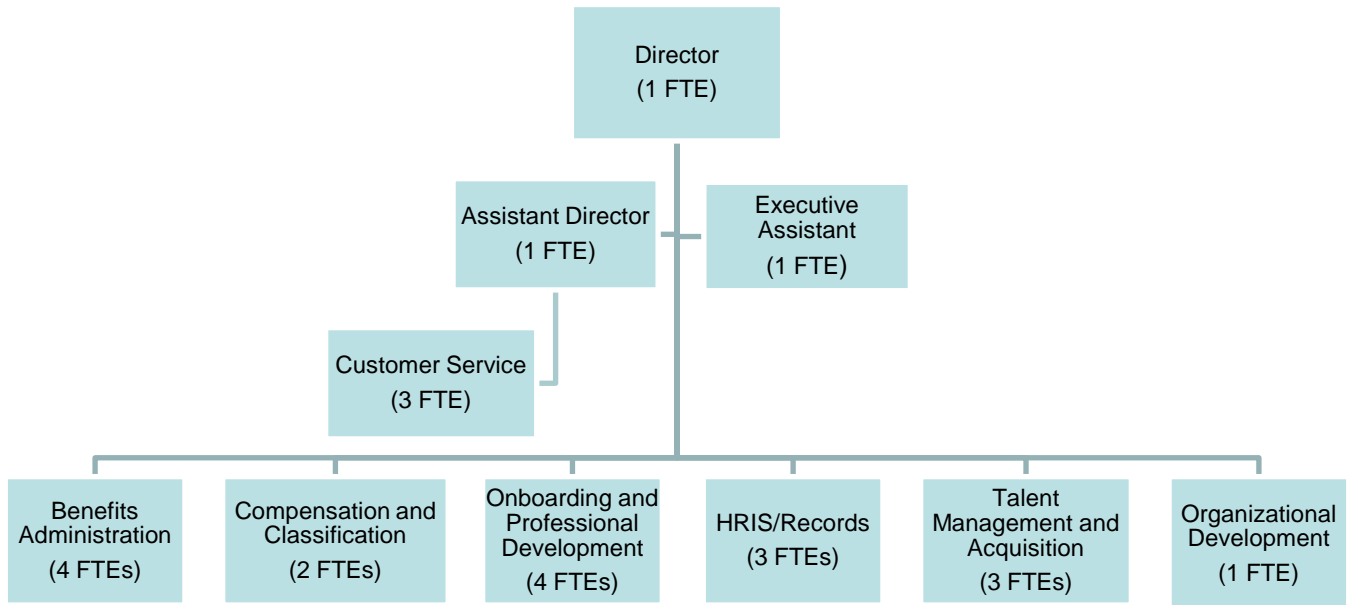
- Reaffirmed credit ratings with all agencies that make the city one of the highest rated public entities in the country
- Financed \$9.4 million of Fleet purchases at 1.575% interest rate (70 months term)
- Finalizing draw-down program/line of credit that will enable more flexibility with project funding
- Received 30th consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR)
- Received 11th consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting
- Received 13th consecutive Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing
- Treasurer selected as LGFCU Fellow at the School of Government and selected to serve on National Government Committee on Treasury and Investment Management

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Provide leadership to Billing Process Improvement Team and improve billing processes city-wide.
- Document procedures within Risk Management.
- Determine curriculum for on-line safety training.
- Identify options for increasing electronic payments.
- Identify methods to increase collections on amounts owed to the City.
- Develop customized MUNIS training for specific user groups (e.g. project managers).
- Develop marketing framework for financial consulting services.
- Conduct overall review of procurement process.
- Continue the oversight of program accountants responsible for administering grants.
- Provide monthly and quarterly financial updates to the City Manager and Council (joint projects with BMS Department).
- Maintain the City's credit ratings.
- Monitor recent, upcoming, and anticipated GASB pronouncements, how they are being addressed, and the impacts they are expected to have on financial reporting and budgeting.



Human Resources (23 FTEs)



HUMAN RESOURCES

Purpose Statement:

We are committed and knowledgeable professionals who provide value-added human capital services to acquire top talent, engage and grow our workforce, and make the City of Durham a great place to live, work and play.

DEPARTMENT DESCRIPTION

Human Resources

\$2,655,376
23 FTEs

The Human Resources Department provides the City of Durham with personnel based services. These services are dedicated to attracting and retaining well qualified employees and to creating a positive environment in which the employees work. The services provided to departments include: benefits, selection and recruiting, compensation and classification, training, employee relations, wellness, and consultation on employee relations matters and organizational issues. The department provides administration and oversight of the City's benefit plans, wellness and Employee Assistance Program (EAP), substance abuse testing, coordinates training, and ensures compliance with federal and state regulations and consults/advises on organization policies. The department assists the City's administration through advice and consultation on personnel related issues, policy development and revision as well as participation in the City's organizational development and strategic planning.

General Administration

The Administration unit is responsible for the overall operation of the department including strategic planning, performance measurement, day-to-day operations, and the budget. Administration provides consultation on Human Resources issues to the City Administration, City Council, and external customers.

HRIS/Records

The HRIS team is responsible for maintaining the integrity and reliability of the human resource information systems. The HRIS team aligns the organization's Human Resources information systems needs with those of the Technology Solutions Department, Finance Department and other stakeholders. HRIS administers and maintains various HR information systems including MUNIS and NEOGOV. HRIS is responsible for testing, designing and implementing all systems changes and upgrades. Develops and maintains reports to provide accurate data to internal and external customers. Accurately reviews, approves, and processes citywide personnel actions and leave adjustments. HRIS functions as project manager for new departmental systems initiatives. HRIS is responsible for the disclosure, security and maintenance of personnel records.

Benefits Administration

The Benefits Administration team is responsible for the central management of employee benefit programs, wellness programs, the employee assistance program, the Medicare Supplement program, Paid Temporary Disability coordination; HIPAA and FMLA management, and training and coordination of the retiree benefits program and retiree planning; COBRA administration; preparation of benefit survey responses, and benefit regulation compliance for the department. Develops the request for proposals for benefits and benefits brokerage services. Responsibility for coordination of the military leave process and personal illness process and for the preparation of any benefits request for proposals is included.

Talent Management and Acquisition

The Talent Management and Acquisition team provides complete HR staffing and selection services to all departments. This includes: assistance with NeoGov, ensuring that jobs are appropriately advertised, assisting with interview panels and assessment processes in departments, conducting targeted and specialized recruitment, job fair attendance, re-entry program coordination, and providing information and assistance to employees in departments. Administers and proctors Police and Fire testing for various promotional processes.

Compensation and Classification

The Compensation and Classification Team provides guidance in the fair and equitable management of positions for all City employees by conducting position studies and market surveys, maintaining job descriptions for all City classifications, maintaining the full-time classification and pay plans, and reviewing or advising departments concerning any departmental part time pay plans. The Team administers the performance management system, provides FLSA guidance, and provides training in related areas. The unit also provides recommendations regarding pay policy related issues such as Extra Duty Pay, Acting Pay, incentive pay, and exceptional salary offers. All salary offers for positions are reviewed by the unit through NeoGov.

Onboarding and Professional Development

The Onboarding and Professional Development Team provides a variety of services that enhance employees' overall value to the organization and maximize service delivery to the citizens of Durham. The services provided include onboarding, training, educational opportunities including technical skills and communication skills (workshops, courses, and career development), customized facilitations, MUNIS Employee Self Service administration and request for proposals for professional training consultants and facilitators and monitors the fund from which organization-wide training is paid. This includes trainers, consultants, facilitators, training resources, and tuition reimbursement for all City employees. This team also is responsible for employee relations. Employee relations includes coordinating, facilitating and monitoring Employment Security Commission (ESC) hearings, assigned investigations, grievances, mediations and responses. The ER coordinator assists in responding to Equal Employment Opportunity Commission (EEOC) and Retaliatory Employment Discrimination Act (REDA) complaints, reviews and updates policies, and conducts various trainings related to employee relations.

Customer Service

The HR Connect Customer Service Team provides customer service assistance for all internal and external HR customers. HR Connect is the central hub of information for the HR Department and increases department accessibility, satisfaction rating, and departmental efficiency. The HR Connect team provides front desk & lobby coverage, provides phone, email, & walk-in support, processes department mail, and manages first stop resolution & escalation to specialist. This team is also responsible for coordination and dissemination of communications for the HR department. The team manages the HR knowledgebase and customer service Management software and is responsible for ID badge creation and replacement for City of Durham employees.

Organizational Development

Organizational Development in the City of Durham is a process that is intentional and organization-wide. It is a process that will increase the City of Durham's effectiveness through planned interventions that will improve the state of the organization through better alignment with the City of Durham's Strategic Plan, Goals and Values.

The City of Durham's Organizational Development Structure/Framework will include:

- Leadership Development
- OD Interventions to improve the state of the organization
- Employee Engagement
- Change Management

The desire is to increase organizational effectiveness and facilitate personal and organizational change.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 1,719,829	\$ 1,827,605	\$ 1,853,163	\$ 2,018,912	10.5%
Operating	138,914	153,106	367,251	636,464	315.7%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 1,858,743	\$ 1,980,711	\$ 2,220,414	\$ 2,655,376	34.1%
Nondepartmental					
Flex Reimbursement	\$ 30,000	\$ 30,000	\$ 30,000	\$ 85,000	183.3%
Unemployment Compensation	167,990	200,000	60,000	100,000	-50.0%
Subtotal Nondepartmental	\$ 197,990	\$ 230,000	\$ 90,000	\$ 185,000	-19.6%
Total Appropriations	\$ 2,056,733	\$ 2,210,711	\$ 2,310,414	\$ 2,840,376	28.5%
Full Time Equivalents	20	22	23	23	1
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 1,972,578	\$ 2,054,038	\$ 2,018,609	\$ 2,447,968	19.2%
Program	-	-	-	-	0.0%
Total General Fund	\$ 1,972,578	\$ 2,054,038	\$ 2,018,609	\$ 2,447,968	19.2%
Risk Claims Fund	-	73,034	205,385	305,381	318.1%
Employee Insurance Fund	84,155	83,639	86,420	87,027	4.1%
Total Revenues	\$ 2,056,733	\$ 2,210,711	\$ 2,310,414	\$ 2,840,376	28.5%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: General Administration **General Fund: \$530,751**
FTEs: 3

Goal: Innovative & High Performing Organization

Objective: To improve customer satisfaction with HR services.

Initiative: Survey organization at least once annually and design responses based on results.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Surveys Completed	396	605	427	605
% Employees completing Survey	18%	28%	19%	28%
%Employees rating HR services satisfactory or better	67%	90%	67%	90%

Program: HRIS **General Fund: \$264,084**
FTEs: 3

Goal: Innovative & High Performing Organization

Objective: To provide comprehensive, secure Human Resources documentation, information and data management.

Initiative: Maintain accurate MUNIS records, personnel records, Employee Self Service (ESS), document management intake.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of Processes automated	N/A	2	1	2

Program:	Benefits	General Fund:	\$253,883
		FTEs:	3
		Employee Insurance Fund:	\$87,027
		FTEs:	1

Goal: Innovative & High Performing Organization

Objective: To increase employee well-being and decrease health-related costs.

Initiative: Provide opportunities to employees to improve their well-being.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# Health risk assessment surveys conducted	2,015	2,340	2,340	2,340
Average claim amount (Per Employee Per Month)	\$839	\$760	\$788	\$760

Program:	Classification & Compensation	General Fund:	\$200,870
		FTEs:	2

Goal: Innovative & High Performing Organization

Objective: To maintain satisfaction with salary and classification services.

Initiative: To recognize employees' work and align job duties/responsibilities with City goals and market values.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# Reclassification studies (occupied positions) completed during annual process	57	45	45	45
% City employees ranking the compensation and classification systems as satisfactory or better	45%	70%	41%	70%
% Studied classifications whose midpoint is within 90% of market	79%	95%	85%	95%

Program:	Talent Management and Acquisition	General Fund:	\$274,995
		FTEs:	2
		Risk Fund:	\$305,381
		FTEs:	1

Goal: Innovative & High Performing Organization

Objective: To make Durham an employer of choice.

Initiative: Implement and improve NeoGov system to streamline the hiring and onboarding process.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# Days from posting to hire	100	40	75	40

Program: Customer Service **General Fund:** \$175,264
FTEs: 3

Goal: Innovative & High Performing Organization

Objective: To improve communications between HR and our customers.

Initiative: Utilize technology to facilitate faster, more accurate communication between HR and our customers.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Employees rating HR as responsive or very responsive	65%	90%	66%	90%

Program: Onboarding and Professional Development **General Fund:** \$405,257
FTEs: 4

Goal: Innovative & High Performing Organization

Objective: To provide training to individuals to enhance their career development.

Initiative: Survey training participants to learn if training was beneficial.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Workshops and training events held	178	80	100	90
% Employees rating meetings, workshops, trainings as effective	95%	95%	98%	97%
# Training participants	1,938	1400	966	1,400
% Stating training was beneficial to career enhancement and/or job performance	96%	95%	98%	97%

Objective: To promote a positive work relationship between employees and the organization and with each other regarding equal employment opportunity, fairness and consistency in treatment, and complaint resolution.

Initiative: To reduce the number of investigations/grievances and resolve all within 30 days.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Investigations	11	12	10	12
% of Investigations resolved within 30 days	100%	100%	100%	100%
# of Grievances	10	12	12	12
% of Grievances resolved within 30 days	100%	100%	92%	100%

Program: Organizational Development **General Fund:** \$157,864
FTEs: 1

Goal: Innovative & High Performing Organization

Objective: To establish an exceptional, diverse, and engaged workforce.

Initiative: Increase employee engagement through organizational development initiatives.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of employees participating in Durham First initiatives	2300	2100	2000	2200

City College	36	40	35	60
Leadership Academy	13	16	0	20
Leadership Conference	250	300	250	1100
Average cost/employee				
Durham First initiatives	\$4	\$3	\$6	\$10
City College	\$75	\$50	\$14	\$17
Leadership Academy	\$1,000	\$839	N/A	\$250
Leadership Conference	\$22	\$17	\$20	\$16
# of existing employees promoted to management positions	44	55	45	55

BUDGET ISSUES FOR FY 2016-17

- Continuing system integrations to increase staff efficiency and improve the customer experience.
- Further defining and developing the Organizational Development program within the City.
- Implementing possible new training and performance management systems.
- Continued development of HR staff to further the department's capabilities.

ACCOMPLISHMENTS FOR FY 2015-16

- Reimagine the employee onboarding experience.
- Compiled baseline health data for the City and continue development of wellness program.
- Updated Human Resources CODI site.
- Updated critical Human Resources policies.

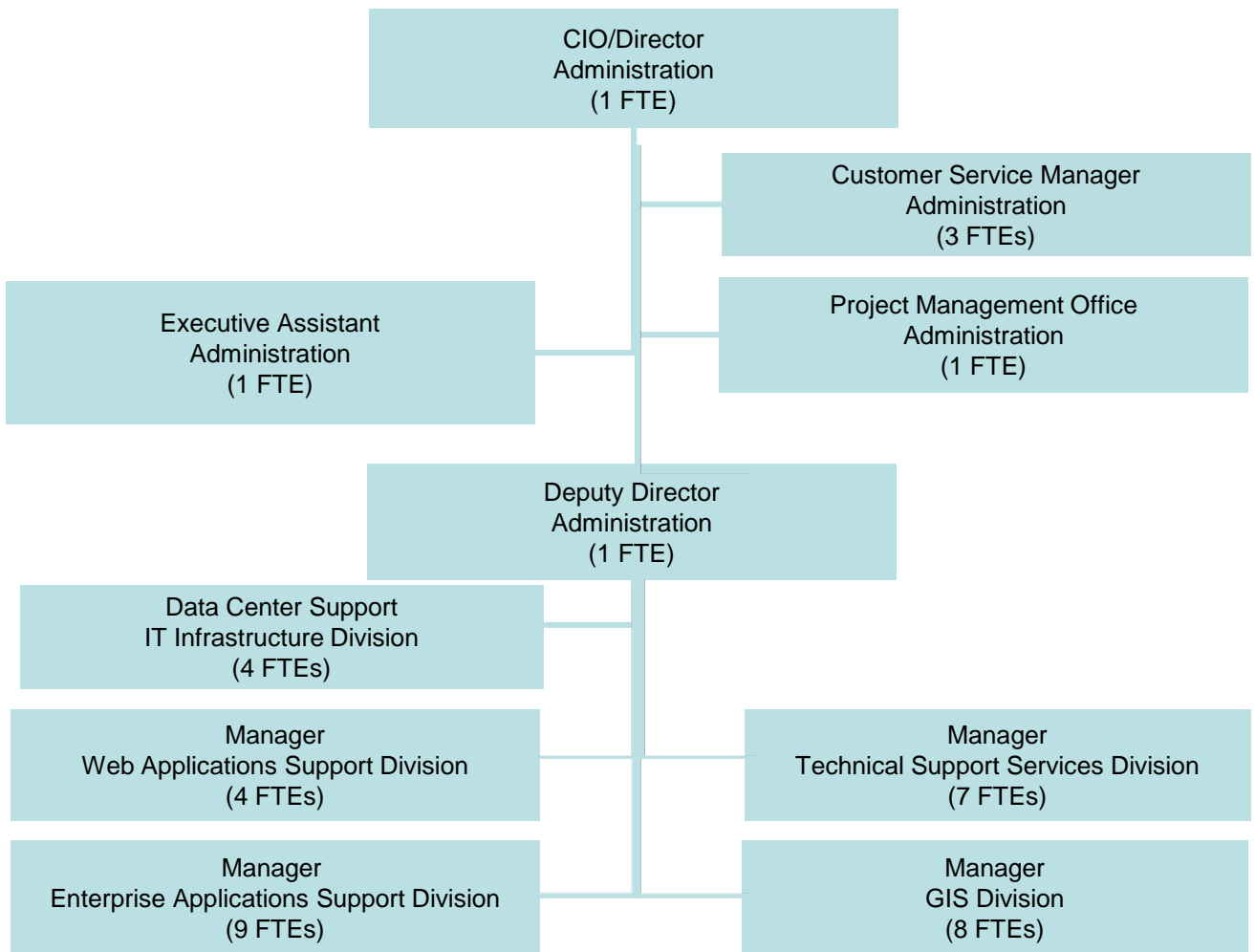
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Improve the performance management system.
- Implement citywide training plan.
- Develop and implement the organizational excellence plan through the Organizational Development program.
- Realign the Benefits Administration program to better serve customers.
- Manage development of new Police and Fire pay plans.



Technology Solutions

(40 FTEs)



TECHNOLOGY SOLUTIONS

Purpose Statement:

To provide quality Information Technology (IT) services and solutions that brings optimal business value to our customers.

DEPARTMENT DESCRIPTION

Technology Solutions Department

\$6,558,012
40 FTEs

The core business of the Technology Solutions (TS) Department is to align and support the City's crucial information technology infrastructure, services, solutions, and TS human capital to the business needs of the City's departments. TS maintains enterprise security, access control, manages the performance and maintenance of all data center/network resources, telecommunications, and user end points.

Administration

This program provides for strategic planning and executive management of the Technology Solutions Department. Within the TS department's administrative program, there are four business units; Project Management Office, Information Technology (IT) Governance (has not been fully implemented at this time), Performance Management, and Financial/Budget and Administrative Management. In addition, this program provides IT Asset Management for the entire enterprise, and provides IT training coordination service to business units.

Technical Support Services

The Technical Support Services Program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. The program supports the end user utilization of the desktop systems, network services, and data center resources. The program also maintains; systems security, network security, systems backup and recovery, end points, e-mail system, internet/cloud connectivity, office productivity tools, multifunctional print devices, business unit applications, metropolitan voice/data network components, and data center resources. This program of the TS department also manages the annual PC Replacement initiative and provides help desk services.

Innovation & Solutions

The Innovations and Solutions Program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. This program works with the business units to effectively align IT solutions to their business needs. The program provides business analysis, web applications development, database development and administration, and enterprise systems support. Critical applications such as Payroll, Accounts Payable, Water Billing, Budget, Human Resources, Contract and Document Management, Work Order Management, etc. are supported by this program. The program supports and maintains the following platforms: document management, work order management, enterprise resource planning, cloud, database, and Internet/Intranet/Extranet. The program also maintains; application security, access control, data security, enterprise application software upgrades, ADA compliance for web applications, software, and maintenance contracts.

The Geographic Information Systems

The Geographic Information Systems (GIS) program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. This program operates under an inter-local agreement between the City and County governments to manage the enterprise Geographic Information System and provide related services to internal and external customers. GIS provides and supports critical spatial analytic services that support decision makers in the City and County of Durham. The GIS program provides; mapping services, web application development services, address creation, geo-spatial modeling and analytics, and citizen/business data request. The program maintains; the county-wide 911 address database, public safety data layers, the enterprise spatial database, and GIS applications and platforms.

Technology Surcharge / Land Development Office (LDO)

The City/County Planning and Inspections Departments collect a technology surcharge fee applicable to development permits. These revenues are designated to improving technology associated with the LDO. This application provides automation for permit and case management. It also provides interoperability between departments involved in land development activities throughout the County. TS provides systems support, end point support, connectivity support, and vendor management.

RESOURCE ALLOCATION					
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 3,939,530	\$ 3,802,398	\$ 3,950,142	\$ 3,921,589	3.1%
Operating	1,902,535	2,141,979	2,552,922	2,636,423	23.1%
Capital and Other	-	-	-	-	0.0%
Transfers	48,709	48,719	48,719	-	-100.0%
Total Appropriations	\$ 5,890,774	\$ 5,993,096	\$ 6,551,783	\$ 6,558,012	9.4%
Full Time Equivalents	40	40	40	40	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 5,437,356	\$ 5,333,149	\$ 5,894,836	\$ 5,885,654	10.4%
Program	453,418	659,947	656,947	672,358	1.9%
Total Revenues	\$ 5,890,774	\$ 5,993,096	\$ 6,551,783	\$ 6,558,012	9.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES				
Program:	Administration	General Fund:	\$805,882	
		FTEs:	7	
Goal:	Innovative and High Performing Organization			
Objective:	To efficiently and effectively align resources and services with business needs maintaining operating costs at less than 5% of City overall budget; and receive a 90% or better customer satisfaction rating.			
Initiative:	Establish Citywide IT Governance Framework based on best practice methodologies focused on information technology (IT) systems, their performance and risk management to accomplish goal. Create new programs to manage and align to business needs.			
Measures:	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
% of TS Workplan projects completed on time.	90%	90%	90%	90%
% IT overall satisfaction (Bi-annual)	83%	90%	86%	90%
Average Days To Close Incident/Issue Tickets	N/A	8	10	8
Average Days To Close General Requests Tickets	N/A	5	6	5

Program: Technical Support Services **General Fund:** \$2,585,953
FTEs: 12

Goal: Innovative and High Performing Organization

Objective: Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.

Initiative: Align TS Infrastructure and computer support services and resources to the business needs of the City using best practice methodologies.

	Actual	Adopted	Estimated	Proposed
Measures:	FY 15	FY 16	FY 16	FY 17
% IT overall Satisfaction (Help Desk)	91%	90%	95%	90%
% of Infrastructure Uptime	99.6%	99.9%	99.9%	99.9%
% of Available Data Center Capacity	66%	20%	60%	50%
% of customers rating service Satisfactory to Excellent (Bi-annual Survey)	90%	90%	90%	90%

Program: Innovation & Solutions **General Fund:** \$2,072,675
FTEs: 13

Goal: Innovative and High Performing Organization

Objective: Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.

Initiative: To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

	Actual	Adopted	Estimated	Proposed
Measures:	FY 15	FY 16	FY 16	FY 17
% IT overall Satisfaction (Help Desk)	97%	95%	95%	95%
% of customers rating service Satisfactory to Excellent (Bi-annual Survey)	87%	90%	88%	90%

Program: Geographic Information Systems **General Fund:** \$888,716
FTEs: 8

Goal: Innovative and High Performing Organization

Objective: Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.

Initiative: To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

Measures:	Actual FY 15	Adopted FY 16	Estimated FY 16	Proposed FY 17
% IT overall Satisfaction (Help Desk)	99%	90%	90%	95%
% of customers rating service Satisfactory to Excellent (Bi-annual Survey)	92%	90%	92%	90%
Technology Surcharge/Land Development Office (LDO)				\$204,786

BUDGET ISSUES FOR FY 2016-17

- Hiring and retaining a Senior Network Engineer. A budget initiative has been submitted that will address this issue utilizing network managed services.
- Arising need for additional office space/redesign of existing office space to accommodate staff work space and equipment needs.

ACCOMPLISHMENTS FOR FY 2015-16

- Completed GIS 3D modeling for urban design initiative
- Implemented remainder of the planned network infrastructure improvements
- Full Implementation of new timekeeping and advanced scheduling system for DPR and Fire Departments
- Continued development of Open Data Program
- Completed Munis upgrade
- Implemented new web 2.0 website for the City
- Completed OnBase Module upgrade
- Completed online employee self-service leave requests for all departments
- Completed Security Audit
- Completed Cityworks implementation with Parks and Recreation Department
- Launch Joint City/County mobile reporting application

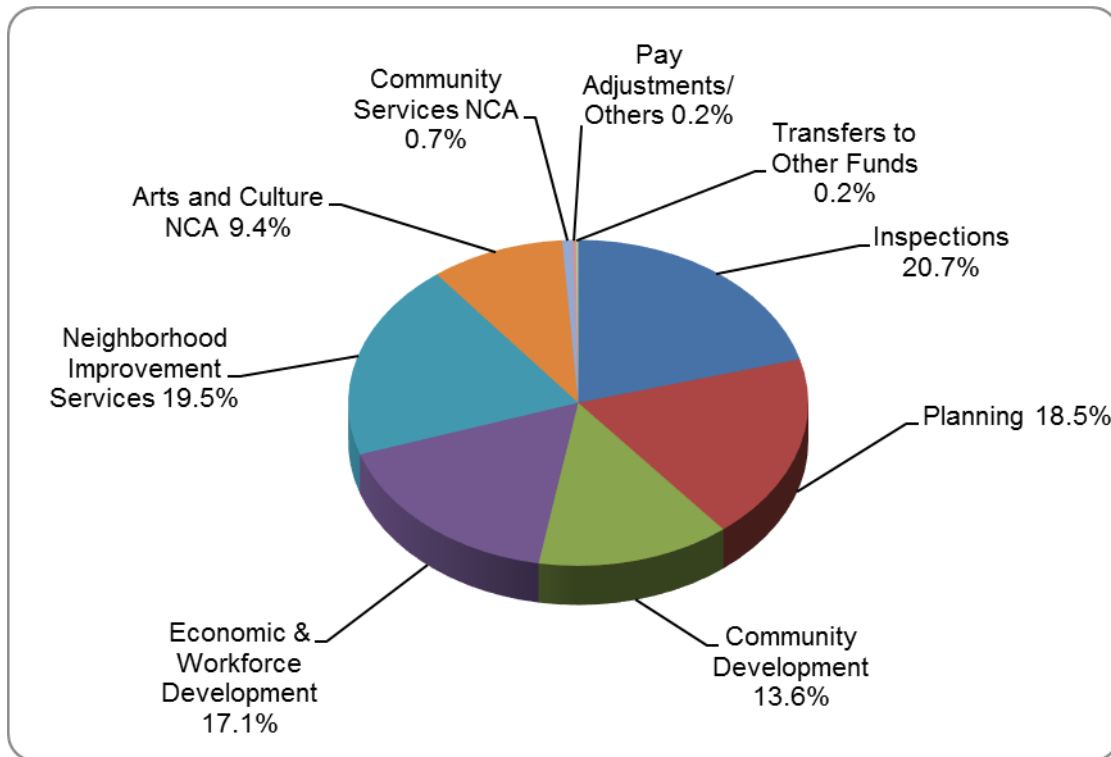
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Hire new Open Data Program Manager
- Begin implementation of data center refresh (two year project)
- Implement security awareness training for all employees
- Implement IT governance model
- Implement managed network security and services
- Expanding network needs to support police body camera initiative

COMMUNITY BUILDING BUDGET SUMMARY

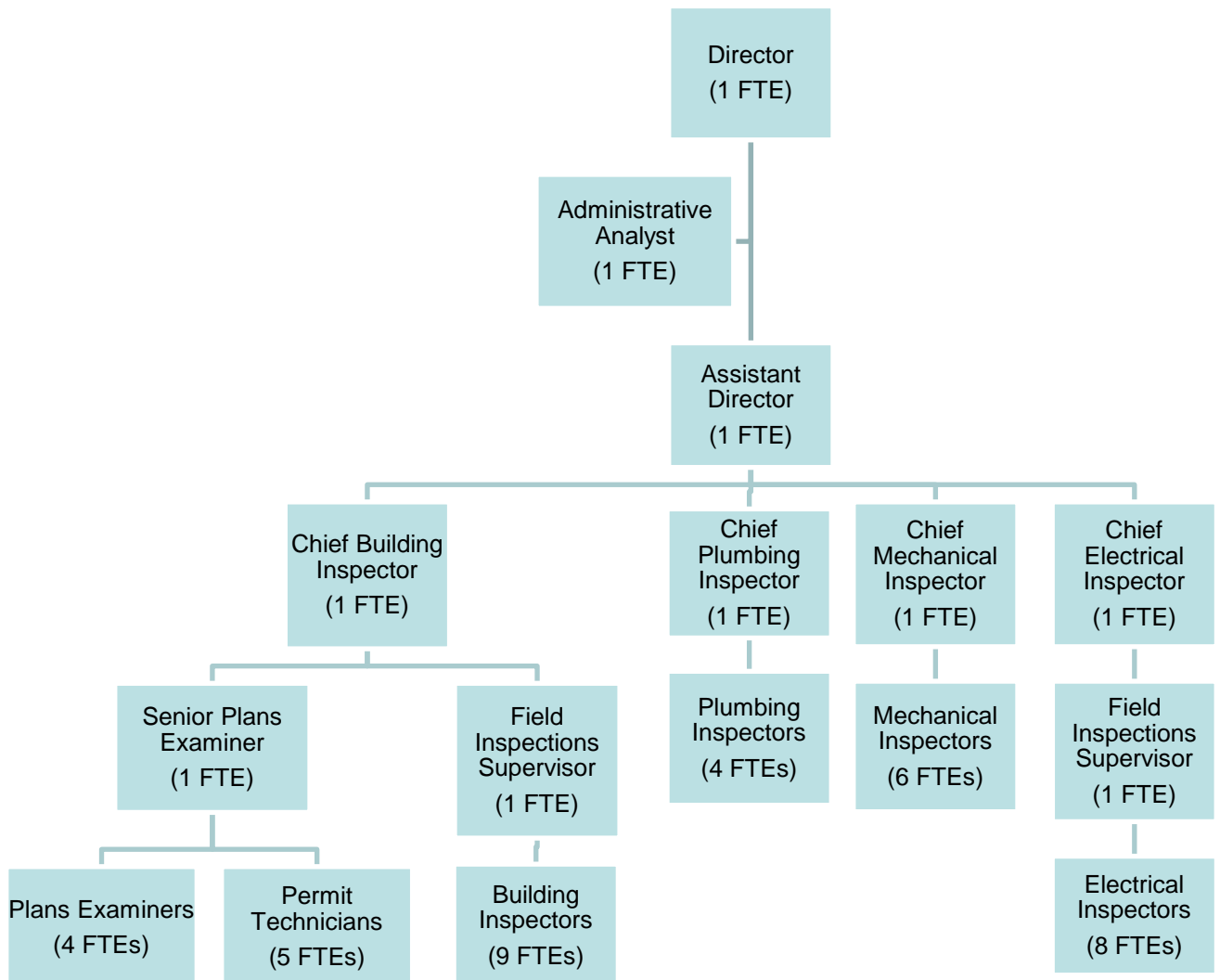
	Actual	Adopted	Estimated	Proposed	
	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
Non-Grant					
Appropriations					
City/County Inspections	\$ 3,410,725	\$ 3,913,261	\$ 3,627,565	\$ 3,943,432	0.8%
City/County Planning	2,873,346	3,136,228	3,106,168	3,517,748	12.2%
Community Development	2,351,760	3,337,691	4,500,226	2,596,052	-22.2%
Economic Development	2,577,000	2,887,017	3,857,017	3,260,338	12.9%
Neighborhood Improvement	3,340,417	3,495,358	3,711,398	3,731,533	6.8%
Contract Agencies					
Arts and Culture	1,761,923	1,761,923	1,780,973	1,798,835	2.1%
Community Services	45,440	95,000	116,500	138,483	45.8%
Pay Adjustments/Others	(0)	36,912	17,862	45,391	23.0%
Transfers to Other Funds	1,584,993	110,389	110,389	10,761	-90.3%
Total Appropriations	\$ 17,945,604	\$ 18,773,779	\$ 20,828,098	\$ 19,042,573	1.4%
Full Time Equivalents	150	149.5	149.5	154.5	5.0
Part Time	4	4	4	4	-
Revenues					
General Fund					
Discretionary	\$ 8,462,537	\$ 10,758,827	\$ 12,099,774	\$ 11,954,053	11.1%
Program	7,424,601	6,261,042	2,196,008	2,437,113	-61.1%
General Fund Subtotal	\$ 15,887,138	\$ 17,019,869	\$ 14,295,782	\$ 14,391,166	-15.4%
Dedicated Housing Fund	2,058,466	1,753,910	2,904,751	707,975	-59.6%
Inspection Special Revenue Fund	-	-	3,627,565	3,943,432	100.0%
Total Revenues	\$ 17,945,604	\$ 18,773,779	\$ 20,828,098	\$ 19,042,573	1.4%
Grants					
Community Development Grants	\$ 3,753,872	\$ 4,009,007	\$ 3,001,616	\$ 3,474,258	-13.3%
OEWD Grants	2,052,086	1,747,590	1,747,590	1,847,590	5.7%
Total Grants	\$ 5,805,958	\$ 5,756,597	\$ 4,749,206	\$ 5,321,848	-7.6%
Full Time Equivalents	19.0	18.5	18.5	18.5	-
Part Time	1	1	1	1	-
Total Budget	\$ 23,751,562	\$ 24,530,376	\$ 25,577,304	\$ 24,364,421	-0.7%

COMMUNITY BUILDING





Durham City-County Inspections (46 FTEs)



DURHAM CITY- COUNTY INSPECTIONS

Purpose Statement:

To provide a cost effective level of service designed to assure the adequate protection of the health and safety of the citizens of the City and County of Durham through assertive enforcement of the various State building, electrical, plumbing, mechanical, and fire codes, and local zoning ordinances.

DEPARTMENT DESCRIPTION

Inspection Services

\$3,943,432
46 FTEs

The City-County Inspections Department is a merged City and County department that administers and enforces the North Carolina State Building Codes and Durham City-County Zoning Ordinances. State law mandates the inspection of all building construction for the purpose of enforcing various construction codes, thereby assuring the adequate protection of the general public's health and safety. In addition, the City and County regulate development through the Unified Development Ordinance (UDO).

The City-County Inspections Department receives permit applications for all construction trades (building, electrical, plumbing, mechanical and signs), reviews plans and specifications (including Fire Prevention plan reviews), issues permits for all construction activity, and follows up with field inspections to determine compliance with all applicable codes and the UDO. The Department also provides daycare facility inspections, semi-annual inspections of all public schools, inspections for the Durham Housing Authority, follow-up inspections in response to citizens' concerns, Board of Adjustment case reviews, Site Plan/Preliminary Plat/Final Plat case reviews, and Rezoning case reviews.

The current level of service supports economic development activities that increase citizen access to high quality jobs while increasing the City's tax base. This level of service leads to a strong and diverse economy by providing assistance to encourage new and existing development and providing prompt, efficient, and professional plan review and inspection services. In addition, the current level of service provides assistance with efforts to improve the livability of the city, encouraging thriving, livable neighborhoods by managing the City's growth, protecting and preserving the environment, and maximizing the use of public infrastructure by providing plans review and inspections for all renovation/remodeling and new construction activities. This service helps ensure that all residential and commercial construction meets the NC State Building Codes for safety and health, as well as complying with the UDO requirements, which are structured to preserve and protect the environment.

The Inspections Department also provides electrical, plumbing, and mechanical inspections for Neighborhood Improvement Services' projects, in order to assist them in their efforts to eliminate substandard housing (leading to safe and secure communities).

In a continuing effort to reduce crime in Durham (to assist in ensuring a safe and secure community), field inspectors have been trained to recognize potential crime situations so that they can report any suspicious activities directly to 911 by using their cell phones. In addition, the Inspections Department completed another update class with the Police Department on "City-Wide Eyes" (formerly known as "Eyes and Ears") this past fiscal year, which included information on the recognition of suspicious activity. An additional update training class was coordinated with the Police Department and took place on February 18th, 2016.

An initiative the Inspections Department implemented in previous years (in cooperation with the Police Department and the 911 Center) allows the 911 Center to send text messages over the Inspections Department's cell phones when a crime has occurred and they need field inspectors to be on the lookout for a suspect or a vehicle involved in a crime.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 3,228,118	\$ 3,663,220	\$ 3,395,046	\$ 3,693,391	0.8%
Operating	182,607	250,041	232,519	250,041	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 3,410,725	\$ 3,913,261	\$ 3,627,565	\$ 3,943,432	0.8%
Full Time Equivalents	46	46	46	46	-
Part Time	3	3	3	3	-
Revenues					
Discretionary	\$ (1,906,628)	\$ (212,312)	\$ -	\$ -	-100.0%
Program	5,317,353	4,125,573	-	-	-100.0%
General Fund Total Revenue	\$3,410,725	\$3,913,261	\$ -	\$ -	-100.0%
Special Revenue Fund	-	-	3,627,565	3,943,432	100.0%
Total Revenues	\$3,410,725	\$3,913,261	\$3,627,565	\$3,943,432	0.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Inspection Services **Inspections Fund:** \$3,943,432
FTEs: 46

Building Trade	\$1,857,652	22.3 FTEs
Electrical Trade	\$933,463	10.6 FTEs
Plumbing Trade	\$509,791	5.6 FTEs
Mechanical Trade	\$642,526	7.5 FTEs

Goal: Thriving and Livable Neighborhoods

Objective: To provide for the safety and health of citizens by ensuring that all construction meets the North Carolina State Building Codes by performing two quality control inspections per inspector per month.

Initiative: Appropriate Chief Inspector/Field Supervisor will report status of quality control inspections monthly during departmental staff meetings.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Quality control inspections per inspector per month	2.0	2.0	2.5	2.0
% Inspections found to be accurate	99%	98%	98%	98%
# Quality control checks	564	600	750	648

Objective: To provide accurate and prompt plan review by reviewing 90% of all residential plans within 5 working days.

Initiative: Utilize express review program. The status will be reported monthly during departmental staff meetings.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Residential plans reviewed in 5 days	75%	90%	78%	90%
% Plan errors found in field	0.5%	1%	0.70%	1%
# of plans reviewed	2,998	2,940	3,427	3,564

Objective: To provide timely response to customer requests by responding to requested inspections within 24 hours 90% of the time.

Initiative: Appropriate Chief Inspector/Field Supervisor will report status of response time monthly during departmental staff meetings.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Inspections performed within 24 hours	94%	90%	93%	90%
# Inspections per inspector per day	23.6	20.0	22.0	20.0
# of Inspections performed	112,023	117,000	111,068	115,000

BUDGET ISSUES FOR FY 2016-17

- Recently enacted State mandate requires single permits and inspections (mechanical and electrical) for HVAC replacements. This requirement presents an on-going challenge for our Mechanical Division, as Mechanical Inspectors are being required to cross-train in Electrical so that they can obtain their Electrical Level I certification (some inspectors are still uncomfortable with this requirement).
- Continuous enhancements to the Land Development Office (LDO) software.
- Will continue to provide limited cross-training for Mechanical, Electrical, and Plumbing certification in the Mechanical, Electrical, and Plumbing Divisions for specific types of projects (included in Departmental Strategic Plan proposals).
- Additional mentoring and training needed for newest management team members (Chief Building Inspector, Chief Electrical Inspector, Chief Plumbing Inspector, Chief Mechanical Inspector, Electrical Field Inspections Supervisor, and Assistant Director) due to numerous retirements.
- Implementation of Inspections Department Special Revenue Fund, as mandated by recent State legislation.
- Additional training associated with the recent adoption of the new North Carolina Electrical Code (training for electrical inspectors and electrical contractors).

ACCOMPLISHMENTS FOR FY 2015-16

- Provided plans review, field inspections, and customer service efforts for over \$1.2 billion worth of construction value for construction projects during calendar year 2015 (highest level on record).
- Set a new record during 2015 regarding the number of permits issued by any one trade (Building, Electrical, Plumbing, Mechanical, or Fire). The Electrical Division surpassed the 10,000 permit threshold, which is a new record.
- Inspected all public schools twice during the year, and all new daycare facilities.
- Conducted requested inspections within 24 hours, 90% of the time.
- Maintained 100% compliance with the Fleet Preventive Maintenance program.
- Performed 2 quality assurance inspections behind each field inspector each month.
- Provided a bi-lingual employee in the Administrative Division and a bi-lingual employee in the Plan Review Division (to support the City's Hispanic initiative).
- Participated in economic development projects such as : Bayer Crop Science Greenhouse project, Blue Cross Blue Shield renovations/addition project, United Therapeutics renovations, Purdue Pharmaceutical

Manufacturing upfit, Syngenta Biotech expansion project, Del Webb Carolina Arbors residential community project, Creekside at Bethpage residential community project, Duke University Wallace Wade Stadium renovations project, Duke University Cameron addition and parking garage project, Duke University Albert Eye Research center renovation project, Duke University Joseph Wadsworth Eye Center renovation project, Duke University WD Murray Building, Duke University Health and Wellness Center, Duke University Nursing Unit renovation, Duke University West Union Building, Duke University Thomas Center Fuqua School of Business, Chesterfield Building renovation project, the installation of a Solar Farm in North Durham, Triangle Business Center project, JA Whitted School renovations and addition, Danbury Hall at Imperial Center, KIPP Durham College Preparation addition, Southpoint Professional Building, and multiple new apartment complexes and hotel projects (for example: Avellan Springs, Liberty Warehouse Apartments project, Woodfield Gateway, Solis at Ninth Street, The Reserve at Park Place, Ellis Road Apartments, 21C Hotel, Residence Inn, A-Loft Hotel, Hotel Durham, Home 2 Suites by Hilton, Marriott, etc.).

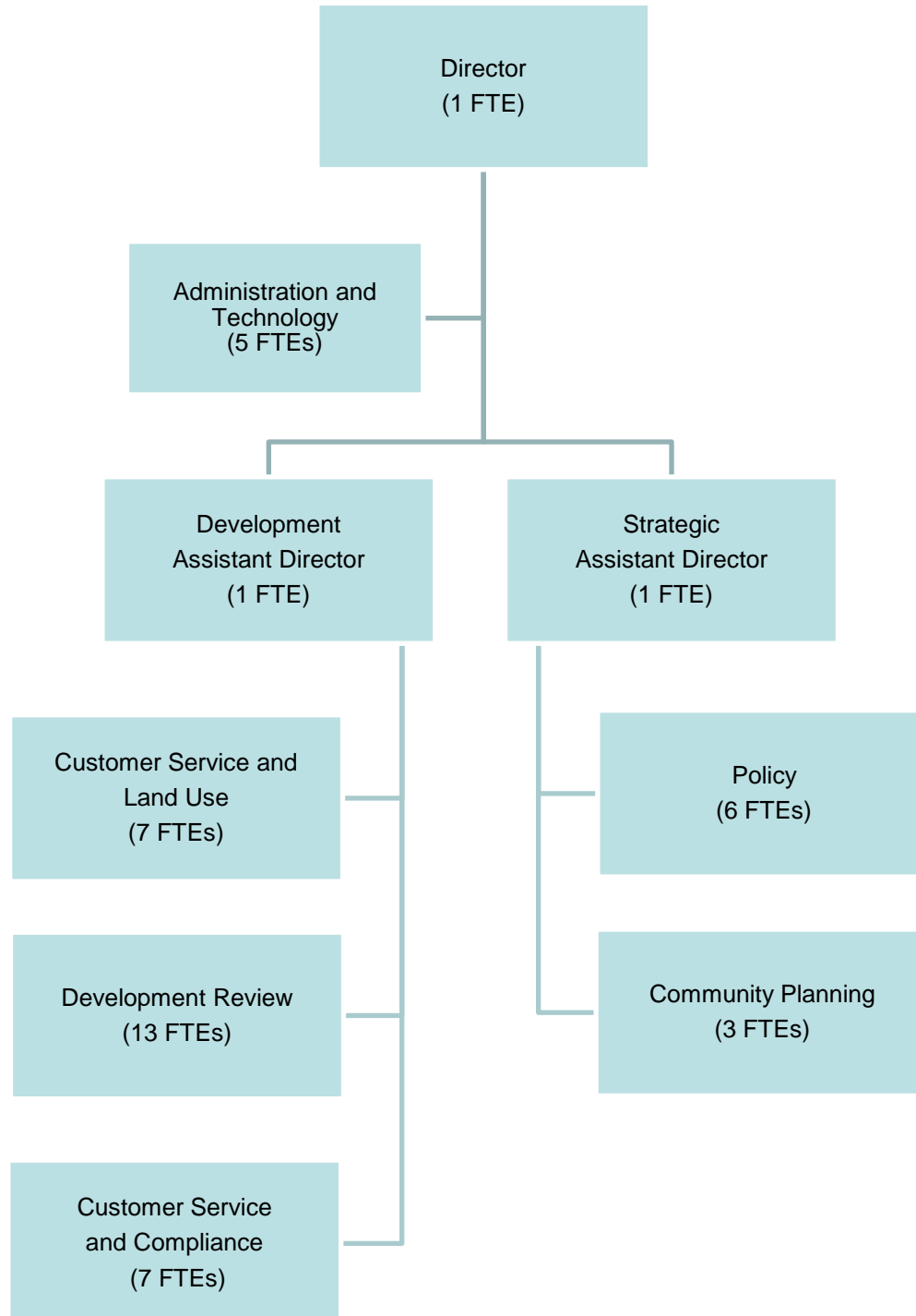
- Collected Technology Surcharge to cover expenses for the Land Development Office software and necessary enhancements.
- Participated in successful 911 and Police Department “City-Wide Eyes” (formerly known as “Eyes and Ears”) program that sends text message notification to field inspectors about break-ins, robberies, etc.
- Completed another “City Wide Eyes” training session, led by the Durham Police Department.
- Met state-required continuing education requirements for all inspectors.
- Continued Department’s efforts to improve overall Departmental rating on Employee Satisfaction Survey.
- Created three new permit screens for LDO (Stocking, Partial Occupancy, and Multi-Trade).
- Assisted with the beginning of construction on the long-awaited City Center project (the new 27 story hi-rise building downtown).
- Tommy Smith (our Chief Electrical Inspector) was selected by the Department of Insurance to serve on a panel that will update the current curriculum for the state-wide Electrical Standard Level I, II and III courses.
- Implemented digital plan submittals and reviews.
- Our Department achieved the highest monetary total raised by a departmental special event (our annual Pig Pickin’ fund raiser) during the 7 Stars Campaign. We raised \$1450 for the National Multiple Sclerosis Society. The 7 Stars Strategy Team awarded an additional \$250 donation to the National Multiple Sclerosis Society for our Department’s achievements.
- Eight of our newest field inspectors completed all required coursework and successfully passed the State exams, achieving their Standard Level III certifications (the highest level of certification offered by the State).
- As a result of our Departmental Succession Planning efforts, one of our field inspectors was promoted into the Chief Plumbing Inspector position, and another field inspector was promoted into the Chief Mechanical Inspector position. Also, our former Chief Plumbing Inspector was promoted into our Assistant Director position.
- During our Department’s Annual Recognition Banquet, 71% of our employees were recognized for working 6 consecutive months without using a sick day, and 61% of our employees were recognized for working 12 consecutive months without using a sick day.
- Partnered again this year with the Habitat for Humanity Home Builders Blitz Program in Northeast Central Durham (we provided night and weekend inspections, as well as “top priority” inspections), thereby assisting with the City’s and County’s affordable housing initiatives and the fight against poverty initiatives.
- Partnered with Habitat for Humanity as they constructed/will construct 10 new homes in Census Tract 10.01 during FY 2016, as well as 3 historic rehabilitation projects and 2 repair projects. These combined efforts resulted in 16 new homes constructed/to-be constructed in Northeast Central Durham, as well as 3 historic rehabilitation projects and 4 repair projects.
- Assisted Durham Head Start with their efforts to open five day care centers.
- Participated in the job shadowing initiative during Junior Leadership Durham 2015.
- Participated and presented during the 2015 sessions of Neighborhood College and City College.
- Converted Fire Department Occupancy Certificate database to digital file on the K-Drive.
- Maintained Voluntary School Proffers database for payments made to Durham Public Schools.
- Improved Day Care inspections process by teaming with the North Carolina Department of Health and Human Services (Division of Child Development and Early Education), to limit redundancy and improve communication.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Assist in the reduction of the incidence of crime through participation in the “City-Wide Eyes” program (formerly known as “Eyes and Ears” program), provide updated training, and continue with participation in the text-messaging initiative with the Police Department and the 911 Center.
- Assist with enforcement of the UDO (Unified Development Ordinance) Resource Protection provisions.
- Implement enhancements to the LDO software (included in Departmental Strategic Plan proposals).
- Assist with Pothole Hotline program, whereby field inspectors report potholes.
- Assist with Keep Durham Beautiful program, whereby field inspectors report violations.
- Assist with Leadership in Energy and Environmental Design/Green Build (LEED) by training staff in LEED issues, and by reviewing and approving systems in water reclamation.
- Continue to provide limited cross-training for Mechanical and Electrical certification in the Mechanical and Electrical Divisions for specific types of projects (included in Departmental Strategic Plan proposals).
- Improvements to Departmental website, including development review process flow charts.
- Development and implementation of new plan review software program.
- Will continue to partner with Habitat for Humanity in their efforts in Census Tract 10.01, as well as their efforts in Northeast Central Durham.



City-County Planning (44 FTEs)



DURHAM CITY - COUNTY PLANNING

Purpose Statement:

To guide the orderly growth and enhancement of the Durham community while preserving its cultural heritage and natural resources.

DEPARTMENT DESCRIPTION

Planning

General Funds: \$3,528,509
43 FTEs

Grant Funds: \$43,042*
1 FTE

The Durham City-County Planning Department was established in accordance with NCGS§153A-321 and NCGS§160a-361, through an interlocal agreement with Durham County. The Planning Department serves as the professional planning agency for both the City and County. The Department performs complex land use evaluations and provides plans, reports, information, and recommendations to elected boards, City and County Managers, seven appointed boards and commissions, and the general public. The Department is also the lead department in implementing and enforcing regulatory controls on development applications. The Department works collaboratively with City, County, state, and federal agencies on land use issues. An annual work program is presented for adoption to the City Council and Durham Board of County Commissioners in accordance with the interlocal agreement.

Development

The Department processes and reviews all proposals for new development to ensure that they are consistent with adopted City and County policies, plans (including the *Durham Comprehensive Plan*), and the provisions of the *Unified Development Ordinance* (UDO) and other applicable ordinances. Development Review staff reviews and approves administrative applications. Land Use staff prepares professional recommendations to quasi-judicial and elected boards about development proposals. Staff assistance is also provided to various joint City-County boards and commissions including the Historic Preservation Commission, the Board of Adjustment, the Planning Commission, and the Joint City-County Planning Committee.

Zoning Administration

Staff ensures compliance with adopted regulations and conformance with granted approvals, and manages physical and digital records in accordance with State statutes and UDO requirements.

Policy and Urban Design

The Department prepares and updates the *Durham Comprehensive Plan*; prepares plans, policies, programs, and recommendations about land use, historic preservation, urban design, environmental protection, trails and greenways, and open spaces to preserve Durham's natural and cultural resources; participates in planning for regional transit; provides demographic support to the City and County of Durham; plans, organizes, and facilitates urban design studios for specific topics or special projects; and prepares proposed amendments to the *Unified Development Ordinance*.

Customer Service and Engagement

Through the Customer Service Center and an extensive web site, the Department provides a wide range of information to the public about property, planning, and development in Durham. The staff seeks to engage the community in planning issues on an ongoing basis by building lasting relationships with citizens for the purpose of developing and implementing a collective land use vision for the community. Staff also provides assistance to three advisory City-County boards and commissions: the Appearance Commission; Durham Open Space and Trails Commission; and the Environmental Affairs Board.

**Grant funding from the Durham-Chapel Hill Carrboro Metropolitan Planning Organization (DCHC MPO) for one full-time, temporary planner position received by the Transportation Department and passed through to Planning.*

RESOURCE ALLOCATION

	Actual	Adopted	Estimated	Proposed	
	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 2,720,287	\$ 2,835,442	\$ 2,785,652	\$ 3,199,334	12.8%
Operating	153,059	286,786	306,516	313,414	9.3%
Capital and Other	-	14,000	14,000	5,000	-64.3%
Transfers	-	10,389	10,389	10,761	3.6%
Total Appropriations	\$ 2,873,346	\$ 3,146,617	\$ 3,116,557	\$ 3,528,509	12.1%
Full Time Equivalents	38	38	38	43	5
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 775,500	\$ 1,016,148	\$ 1,012,984	\$ 1,096,396	7.9%
Program	2,097,846	2,130,469	2,103,573	2,432,113	14.2%
Total Revenues	\$ 2,873,346	\$ 3,146,617	\$ 3,116,557	\$ 3,528,509	12.1%
<i>Grant</i>					
Personal Services	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Operating	-	-	-	-	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Full Time Equivalents	1	1	1	1	-
Part Time	-	-	-	-	-
Transportation Planning					
Grant Revenue	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Total Grant Revenue	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Total Budget	\$ 2,933,486	\$ 3,196,537	\$ 3,166,477	\$ 3,571,551	11.7%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: **Development**

General Fund: **\$1,660,153**
FTEs: **21.25**
Grant Funds: **\$43,042**
FTE: **1**

Goal: Strong and Diverse Economy
Objective: Review public and private land development proposals within the completion and milestone deadlines established by the *Unified Development Ordinance* (UDO) and the Planning Director.
Initiative: Monthly report provided to Planning Director which details on-time compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of reviews of public and private land development proposals completed within established deadlines	94%	95%	90%	90%

Objective: Review public and private land development proposals in a high quality manner.
Initiative: Monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of reviews of public and private land development proposals evaluated by the appropriate Work Group Supervisor as high quality	93%	95%	90%	90%

Objective: Review public and private land development proposals in a manner that achieves a high level of customer satisfaction.
Initiative: Monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of surveyed customers evaluating the review of public and private land development proposals as "good" or better on customer satisfaction surveys	93%	90%	90%	90%

Objective: Workload: Evaluate caseload trends to ensure adequate staffing of Development Review activities.
Initiative: Monthly report to Planning Director that provides information on caseload quantity.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Number of zoning map changes	53	45	38	45
Number of Board of Adjustment cases	43	38	46	38
Number of subdivision cases	277	280	338	280
Number of site plans	358	355	405	375
Number of COA cases	161	160	127	118
Number of comprehensive plan amendments	16	15	26	20
Number of sign permits	N/A	N/A	105	420

Program: Zoning Administration

General Fund: \$708,687
FTEs: 8.25

Goal: Thriving and Livable Neighborhoods

Objective: Enforce and administer the regulations of the UDO within the deadlines established by the Planning Director.

Initiative: Monthly report provided to Planning Director which details on-time compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of case files, including LDO data, containing required materials and accurate information	95%	95%	90%	90%

Objective: Enforce and administer the regulations of the UDO in a manner that achieves a high level of quality.

Initiative: Monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of zoning enforcement and site compliance files that are complete and accurate at time of close-out	86%	95%	90%	90%

Objective: Enforce and administer the regulations of the UDO in a manner that achieves a high level of customer satisfaction.

Initiative: Monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of surveyed customers evaluating the zoning enforcement or site compliance activity they experienced as "good" or better on customer satisfaction surveys	100%	90%	90%	90%

Objective: Workload: Evaluate caseload trends to ensure adequate staffing of enforcement activities.

Initiative: Monthly report to Planning Director that provides information on caseload quantity.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Number of zoning enforcement cases initiated	1,368	1,400	1,274	1,400

Program: Policy and Urban Design **General Fund:** \$751,637
FTEs: 8.75

Goal: Thriving and Livable Neighborhoods

Objective: Prepare plans, policies, program and recommendations within the completion and milestone deadlines established by the adopted Work Program and the Planning Director.

Initiative: Utilize individual project plans to assess on time compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of work products completed or milestones reached within established deadlines	100%	95%	90%	90%

Objective: Prepare plans, policies, program and recommendations in a manner that achieves a high level of quality.

Initiative: Monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of work program projects evaluated by the Supervisor as high quality	95%	95%	90%	90%

Objective: Prepare plans, policies, program and recommendations in a manner that achieves a high level of customer satisfaction.

Initiative: Monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of surveyed stakeholders evaluating the preparation of plan and policies as "Good" or better on customer satisfaction surveys	83%	90%	90%	90%

Program: Customer Service and Engagement **General Fund:** \$408,032
FTEs: 4.75

Goal: Strong and Diverse Economy

Objective: Provide information about property, development, and regulations within deadlines established by the Planning Director.

Initiative: Monthly report provided to Planning Director which defines on-time compliance with adopted standards and identifies areas that need improvement.

Measure:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Percent of public information inquiries responded to within departmentally established deadlines	95%	95%	90%	90%

Objective: Provide information about property, development, and regulations in a manner that achieves a high level of quality.

Initiative: Monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measure: Percent of responses to public inquiries evaluated by the Supervisor as high quality	90%	95%	90%	90%

Objective: Provide information about property, development, and regulations in a manner that achieves a high level of customer satisfaction.

Initiative: Monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measure: Percent of surveyed customers evaluating information they received about property, development and regulations as "good" or better in customer satisfaction surveys	96%	90%	90%	90%

Objective: Workload: Evaluate number of customers assisted to ensure adequate staffing.

Initiative: Monthly report to Planning Director that provides information on number of customer service contacts.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measure: Number of customers assisted by Customer Service Center	16,351	15,000	21,221	21,000

BUDGET ISSUES FOR FY 2016-17

- A significant proportion of the Planning Department's work is mandated by City and County interlocal agreements, including those for joint planning, open space and trails planning, historic preservation, appearance and environmental planning.
- Work priorities and assigned work program tasks shift throughout the year based on changes in direction from both elected boards, City and County Managers and the Joint City-County Planning Committee.
- Planning Department operational expenses are largely driven by legal requirements in the UDO, City Code, and state legislation.
- The Department has been reacting to new state legislation and court cases related to UDO requirements placing unexpected demands on the work program.
- The department assumed, in the fourth quarter of FY16, the review and permitting of signs and building permit reviews for UDO compliance.
- The Department is proposing to reallocate existing operations funds to professional services to accelerate high priority work program initiatives.
- Unknown impacts associated with City-wide development review initiative.
- Proposed staffing to augment administrative support and technology services.
- Employee retention and professional growth opportunities.

ACCOMPLISHMENTS FOR FY 2015-16

- Provided timely review and processing of development applications (projected EOY):

Site Plans	405
Subdivisions	338
Board of Adjustment Cases	46
Certificates of Appropriateness	127
Zoning Map Changes	38
Plan Amendments	26

- | | |
|--------------------------------|-----|
| Building Permit Reviews | 530 |
| Common Signage Plan Reviews | 20 |
| Street Closings | 17 |
| Outdoor Seating Permit Reviews | 8 |
| Design Compliance Reviews | 220 |
| Architectural Reviews | 10 |
| Home Occupation Permits | 322 |
| Temporary Use Permits | 50 |
| Street Vendor Registrations | 54 |
| Limited Agricultural Permits | 2 |
- Provided timely enforcement of the UDO:

Zoning Enforcement Cases Initiated	1,274
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 - Coordinated the review of four Selective Vegetation Removal Permits for consideration by NCDOT.
 - Coordinated with the Police Department to verify use for 76 ABC permit applications.
 - Coordinated with the City-County Inspections Department to verify use prior to electrical reconnection for 134 properties.
 - Verify use or change of use for 608 properties, including eight family care homes/group homes.
 - Coordinated with the County Sedimentation and Erosion Control Office for single-family grading permits for 46 properties.
 - Continued development process improvements, including “Development Roundtable” committee, where representatives from the development community meet monthly with the directors from Planning, Public Works, and Inspections on issues or concerns.
 - Completed recertification of Durham County’s participation in the National Flood Insurance Program (NFIP) Community Rating System (CRS).
 - Managed the consolidated annexation process for 18 petitions.
 - Enforced standards for mobile vendors.
 - Enforced standards for outdoor seating standards in the Downtown Design District.
 - Implemented and enforced standards for group and family care home spacing.
 - Completed or worked on significant revisions to the UDO:
 - Wireless Communications Facilities (WCF) Technical Changes;
 - Riparian Buffer Setback and Lot of Record;
 - Affordable Housing Parking and Density Bonus;
 - New Science Research Park-Center District;
 - Reasonable Accommodations;
 - UDO Graphics;
 - Accessory Structures-Home Occupations; and
 - Omnibus Technical and Minor Changes IX.
 - Completed the annual Evaluation and Assessment Report of the *Durham Comprehensive Plan*.
 - Prepared an affordable housing inventory and worked on regulatory incentives for affordable housing, which were adopted by the City Council and Board of County Commissioners.
 - Participated in a multi-departmental effort to work with the Triangle Transit Authority to develop and implement a regional Transit Plan.
 - Continued work on the multi-year Station Area Strategic Infrastructure (SASI) project to evaluate needed infrastructure improvements around proposed regional transit stations.
 - Initiated work on Compact Neighborhood Tier amendments.
 - Initiated work on the East End Land Use Analysis.
 - Continued work on the Urban Open Space Plan.
 - Continued work on a historic district preservation plan for an expanded Cleveland-Holloway Local Historic District.
 - Continued work on the Golden Belt Historic District preservation plan with assistance from the consultant.
 - Adoption of merged criteria for seven local historic districts and historic landmarks and updated historic preservation plans by the City Council and Board of County Commissioners.
 - Maintained Certified Local Government Status for historic preservation.
 - Participated in Triangle J Council of Government (TJCOG) planning efforts including the Center of the Region (CORE) Project and the Smart Growth Committee.
 - Managed the Customer Service Center and provided timely response to all general public inquiries (projected EOY total contacts of 21,528 total contacts).
 - Staffed seven appointed boards and commissions, as well as participated in numerous regional committees:
 - Joint City-County Planning Committee;

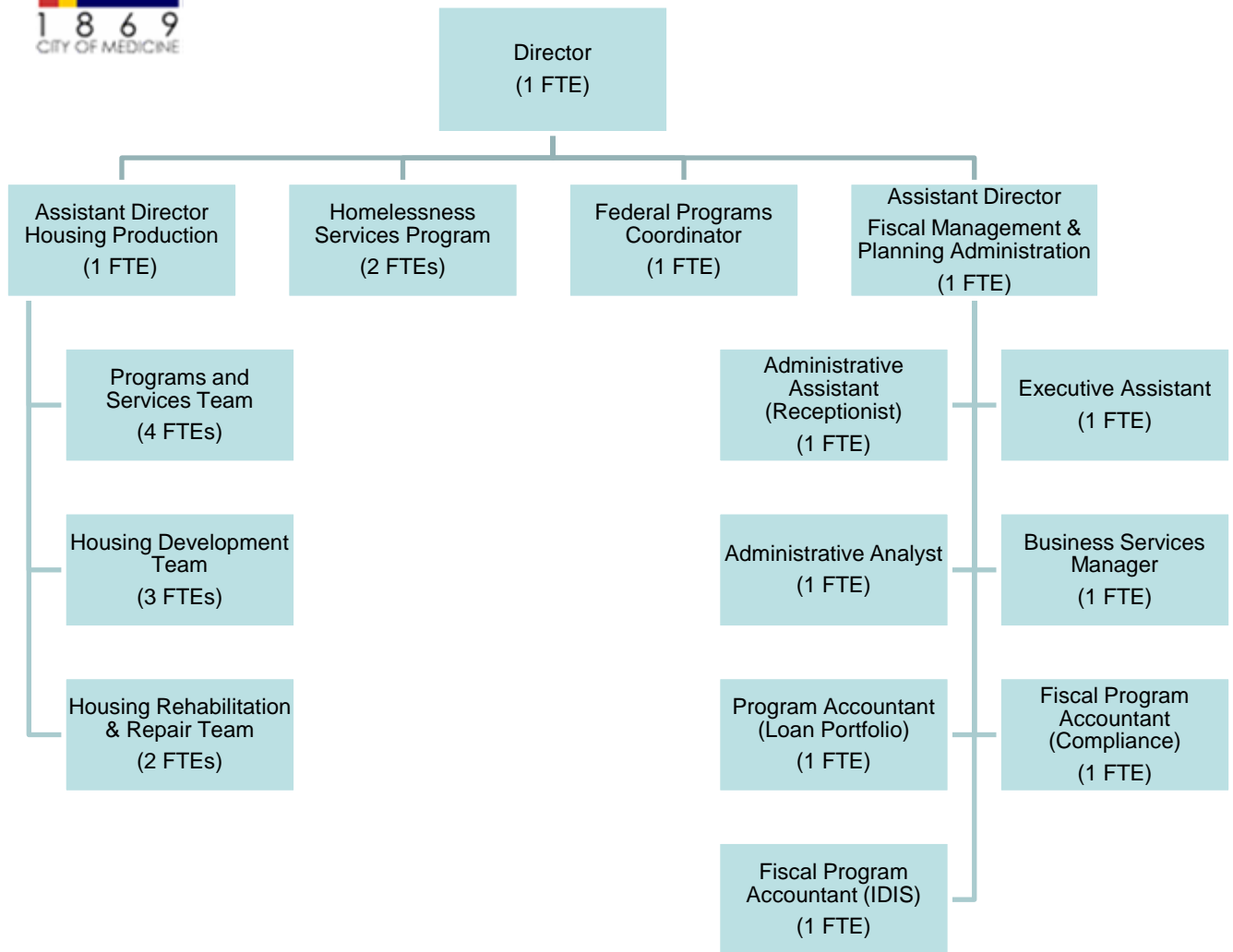
- Planning Commission;
- Board of Adjustment;
- Historic Preservation Commission;
- Environmental Affairs Board;
- Durham Open Space and Trails Commission; and
- Appearance Commission.
- Assisted in the development and presentation of the legislative agenda.
- Worked with multiple departments on enhancements to the Land Development Office (LDO) database.
- Participated in development of the new City and County Joint Economic Development Strategic Plan.
- Assisted in implementation of the City Strategic Plan, Goals 1, 3, and 5.
- Performed demographic analysis for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (MPO).
- Provided Departmental GIS and computer hardware and software support.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Continue on-going work activities as defined in the adopted annual Work Program.
- Continue to make significant improvements to the UDO and to development review processes.
- Continue work on the multi-year Station Area Strategic Infrastructure study.
- Complete the annual Evaluation and Assessment Report for the *Durham Comprehensive Plan*.
- Continue ongoing technical amendments to the UDO.
- Respond to mandates from the NC General Assembly regarding development regulations.
- Adoption of the Design Districts Update UDO text amendment by the City Council and Board of County Commissioners.
- Draft revisions to the Signs Article in the UDO with the assistance of a consultant.
- Adoption of the Urban Open Space Plan by the City Council.
- Adoption of the East End Land Use Study by the City Council and Board of County Commissioners.
- Adoption of the Golden Belt Historic District and preservation plan by the City Council.
- Maintain Certified Local Government status.
- Maintain the NFIP Community Rating System certification for Durham County.
- Adoption of Compact Neighborhood Tier amendments by the City Council and Board of County Commissioners.
- Initiate work on three Compact Neighborhood station area design districts, and develop suburban station Compact Design District regulations.
- Work with GoTriangle to manage a FTA transit grant for a variety of station area planning tasks.
- Initiate the development of a Comprehensive Plan Community Profile.
- Initiate work on applying the Commercial Infill zoning district to the Angier/Driver commercial area.
- Initiate work on developing a Neighborhood Protection Overlay for Old West Durham.
- Develop and implement a zoning enforcement patrol program.
- Work with the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization on data collection and analysis as well as transportation modelling for development of the next Metropolitan Transportation Plan.



Community Development (22 FTEs)



COMMUNITY DEVELOPMENT

Purpose Statement:

The mission of the Department of Community Development is to foster safe, decent and sustainable neighborhoods and to enhance housing quality and affordability for the citizens of Durham.

DEPARTMENT DESCRIPTION

General Fund: \$1,888,077
14 FTEs
Dedicated Housing Fund: \$707,975
1 FTE
Grant Funds: \$3,384,258
7 FTEs

Fiscal Management and Planning Administration Division

This Division provides oversight and administration of managerial functions that are required for daily operations of the department. The following program is administered under this Division:

Administration: This program involves Departmental management, HUD reporting, consolidated planning, compliance and monitoring, fiscal and budgetary management, loan portfolio management and servicing, Integrated Disbursement Information Systems (IDIS) data management, and housing counseling. Program administration will effectively manage entitlements, recovery funds, other grants, and the Department of Community Development (DCD) programs to ensure fiscal responsibility through internal controls, and compliance monitoring, and continue to realign services to better meet the needs of citizens, non-profits, for-profits, and the community.

Housing Development and Project Administration Division

This Division provides oversight and administration of community development, housing development, community revitalization and redevelopment projects; programs and services intended to stabilize communities through housing production; public service delivery; IDIS grant reporting and project performance; homebuyer initiatives; housing rehabilitation; federal grant programs; customer service; and partnerships with non-profit and for profit entities. The following specific programs are administered under this Division:

Neighborhood Revitalization & Affordable Housing Program: This program seeks to increase the rate of homeownership and the supply of quality affordable rental housing in targeted and non-targeted neighborhoods. Additionally, this program focuses on revitalizing neighborhoods with the objective of alleviating disinvestment.

Homeless Systems Coordination: This program seeks to reduce the number of homeless families and individuals in Durham through methods of case management, essential services, permanent housing with supportive services, and rapid re-housing. Additionally, this program enables the administration and coordination of Continuum of Care (COC) and the Homeless Services Advisory Committee (HSAC). This program also provides operating expenses for emergency shelters.

Financial Empowerment and Home Retention Program: This program focuses on helping low-income households through providing financial education, comprehensive housing counseling and homeownership retention assistance. Moreover, second mortgage loans and housing repairs support these program objectives.

HOPWA Program: The Housing Opportunities for Persons With AIDS (HOPWA) program helps HIV/AIDS-positive individuals improve their health by providing stable housing as a basis for increased participation in comprehensive care.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 1,315,311	\$ 1,277,033	\$ 1,238,990	\$ 1,575,900	23.4%
Operating	1,036,449	1,986,658	3,187,236	1,020,152	-48.6%
Capital and Other	-	74,000	74,000	-	-100.0%
Transfers	1,584,993	100,000	100,000	-	-100.0%
Total Appropriations	\$ 3,936,753	\$ 3,437,691	\$ 4,600,226	\$ 2,596,052	-24.5%
Full Time Equivalents	15	15	15	15	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 1,878,185	\$ 1,683,781	\$ 1,695,475	\$ 1,888,077	12.1%
Program	100	-	-	-	0.0%
Total General Fund	\$ 1,878,285	\$ 1,683,781	\$ 1,695,475	\$ 1,888,077	12.1%
Dedicated Housing Fund	2,058,468	1,753,910	2,904,751	707,975	-59.6%
Total Revenues	\$ 3,936,753	\$ 3,437,691	\$ 4,600,226	\$ 2,596,052	-24.5%
<i>Grant</i>					
Personal Services	\$ 510,957	\$ 508,843	\$ 459,784	\$ 486,733	-4.3%
Operating	3,064,665	3,410,164	2,460,482	2,897,525	-15.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 3,575,622	\$ 3,919,007	\$ 2,920,266	\$ 3,384,258	-13.6%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
CDBG	\$ 2,245,289	\$ 2,226,378	\$ 1,695,392	\$ 1,929,750	-13.3%
HOME	1,068,233	1,250,377	1,009,646	997,523	-20.2%
Emergency Shelter	136,802	160,046	144,676	162,711	1.7%
HOPWA - Hsg Oppty 4	-	282,206	70,552	294,274	4.3%
NSP 1	125,298	-	-	-	0.0%
Total Revenues	\$ 3,575,622	\$ 3,919,007	\$ 2,920,266	\$ 3,384,258	-13.6%
Total Budget	\$ 7,512,375	\$ 7,356,698	\$ 7,520,492	\$ 5,980,310	-18.7%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Neighborhood Revitalization & Affordable Housing Program	General Fund:	\$956,038
		FTEs:	8
		Dedicated	
		Housing Fund:	\$134,755
		Grant Funds:	\$1,605,382
		FTEs:	3

Goal: Thriving, Livable Neighborhoods

Objective: To increase the rate of homeownership in the Southside neighborhood through the construction and marketing of 27 high quality homes for mixed-income buyers by June 30, 2017.

Objective: To create approximately 79 high quality rental housing units serving a broad range of incomes over next five years by June 30, 2017.

Objective: To reduce the number of vacant lots and blighted structures by providing funding for demolition of blighted structures and acquisition of vacant properties for infill.

Initiative: To engage proven real estate development professionals and community service providers having established track records of success.

Initiative: To engage technical assistance consultant to determine the next redevelopment area.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17

# of homeownership units created (Southside)	24	24	22	8
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# of affordable rental units created (Southside)	12	0	0	79
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# affordable rental units preserved	1	0	7	1
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Objective: To invest funds in partnerships with for-profit and non-profit development entities that will leverage other resources in the creation of affordable homeownership and rental units in Northeast Central Durham (NECD), Southwest Central Durham (SWCD) and other Durham neighborhoods, excluding Southside.

Initiative: To engage nonprofit organizations to complete homeownership and affordable rental development efforts in NECD and SWCD.

Initiative: To solicit proposals for the development of at least one Low Income Housing Tax Credit project through the Department's annual application process.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17

# of homeownership units created NECD	0	10	10	0
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# homeownership units created				
SWCD	0	11	0	1

# of affordable rental units created (Non-Southside)	0	80	20	60
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# of affordable rental units preserved (Non-Southside)	0	47	47	0
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# of affordable rental units created SWCD	0	1	0	1
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# of Affordable rental units preserved in SWCD	0	30	0	30
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# of Affordable rental units created (Special Needs)	0	12	12	0
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Program: Homeless Systems Coordination

General Fund: \$559,225
FTEs: 3

Dedicated Housing Fund: \$276,220
Grant Funds: \$300,511
FTEs: 1

Goal: Thriving, Livable Neighborhoods

Objective: To increase the number of permanent housing units and provide supportive services as well as assistance to homeless persons and those at risk of becoming homeless.

Initiative: To monitor and report on rapid re-housing efforts funded by both Federal and local sources.

Initiative: To solicit proposals for the development of at least one Permanent Supportive Housing project through the Department's annual application process.

Initiative: To effectively administer the Continuum of Care through a cooperation agreement with Durham County.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of days People Remain Homeless	132	120	120	110
% of families that Exit to Permanent Housing - Emergency Shelters - Families	N/A	81%	81%	81%
% of Families that Exit to Permanent Housing – Rapid Rehousing - Families	N/A	91%	91%	95%
% of families that Exit to Permanent Housing - Emergency Shelters - Individuals	N/A	30%	30%	20%
% of families that Exit to Permanent Housing – Rapid Rehousing – Individuals	N/A	86%	86%	90%

Program: Financial Empowerment and Home Retention Program

General Fund: \$186,407
FTEs: 2

Dedicated Housing Fund: \$297,000
FTEs: 1

Grant Funds: \$1,184,091
FTEs: 2

Goal: Thriving Livable Neighborhoods

Objective: To provide homeownership and financial educational as well as financial assistance to low to moderate income households.

Initiative: To provide assistance and incentives to low to moderate income homebuyers purchasing homes constructed or rehabilitated by non-profits in targeted neighborhoods.

Initiative: To provide comprehensive housing and financial counseling services in the areas of pre-purchase, post-purchase, financial literacy, default and delinquency.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of homeowner loan closings in Southside	8	8	11	5
# of homeowner loan closings Non-Southside	15	20	28	3
# of people that received homeowner education	0	0	18	15
# of people that receive education, and become homeowners	0	0	11	7
% Delinquency rate relating to the City's loan portfolio	6.4%	6.0%	6.0%	6.0%

Objective: To provide minor repairs (formerly urgent repair) and housing rehabilitation to maintain Durham's housing stock and allow homeowners to remain in their homes.

Initiative: To create and disseminate informational materials relative to the availability of housing repair and rehabilitation assistance.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of minor repairs	25	30	30	30
# of substantial repairs	0	1	1	1

Program: HOPWA Program

General Fund: \$186,407
FTEs: 1
Grant Funds: \$294,274
FTEs: 1

Goal: Thriving Livable Neighborhoods

Objective: To provide resources and incentives to devise long-term strategies for meeting the housing needs of low-income persons living with HIV/AIDS and their families.

Initiative: Reduce the risk of homelessness for low-income persons living with HIV/AIDS and their families.

Initiative: Increase access to appropriate healthcare and other support.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of clients who receive Short Term Rent, Mortgage or Utility (STRMU) assistance and live in stable-permanent housing at end of program year	0	0	75%	75%

ACCOMPLISHMENTS FOR FY 2015-16

Neighborhood Revitalization & Affordable Housing Program

- 47 affordable rentals preserved by Woodland Associates.
- 2 new affordable rental units to be created in SWCD by DCLT.
- Acquisition of a minimum of 5 properties in NECD by Habitat.
- Construction cost write downs for 10 houses in NECD by Habitat.

- Acquisition of up to 11 single family lots in SWCD.
- Completion of 6 affordable rentals in Southside by DCLT (Piedmont Rentals).

Homeless Systems Coordination

- Developed a Continuum of Care Governance Charter which was adopted by the Durham Continuum of Care (CoC).
- Re-organized the State ESG and CoC application ranking and review process.
- Selected a new Lead Agency for the Durham Homeless Management Information System.

Financial Empowerment and Home Retention Program

- Down Payment Assistance provided to 11 low to moderate income home buyers in the Southside Phase I development.
- Established written Financial Literacy counseling curriculum that is utilized to prepare individuals for the purchase of a home in the Southside Phase II development.
- Down Payment Assistance provided to 16 low to moderate income home buyers for the purchase of homes in SECD & NECD constructed or renovated by non-profits.
- Urgent repairs completed to the homes of 30 elderly or disabled owner-occupants.

HOPWA Program

- The Department of Community Development received its first Housing Opportunities for People With AIDS (HOPWA) formula allocation from US Department of Housing and Urban Development (HUD). The HOPWA funds are to assist persons or households with a HIV/AIDS family member in the Eligible Metropolitan Statistical Area (EMSA) of Durham, Orange, Person and Chatham Counties.
- The first contract using HOPWA funds was awarded to Duke University for housing and case management services, including Short Term Mortgage, Rent or Utility Payments (STRMU) and Tenant Based Rental Assistance (TBRA). Contract term is 6 months and will end June 30, 2016.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

Neighborhood Revitalization & Affordable Housing Program

- Construction and sale of an additional 22 homeownership units.
- Completion of site prep and infrastructure improvements for the Beamon/Piedmont assemblage.
- Construction to begin on second phase of the Lofts of Southside development (approximately 85 units).
- 30 affordable rental units to be preserved in SWCD by DCLT.
- Construction to be completed on the "Vermillion" (60 affordable rental units).
- Completion of rehabilitation of Whitted School to provide 79 units of senior housing.
- Completion of 2 modular rental units in SWCD by DCLT.
- Completion of 2 owner occupied units repaired in SWCD by DCLT.
- Completion of 3 affordable rentals in Southside by DCLT (Piedmont Rentals).

Homeless Systems Coordination

- Reduce the average number of days people remain homeless from 120 to 110 days.
- Overall increase in the % of people that exit to permanent housing from emergency shelters and rapid rehousing.

Financial Empowerment and Home Retention Program

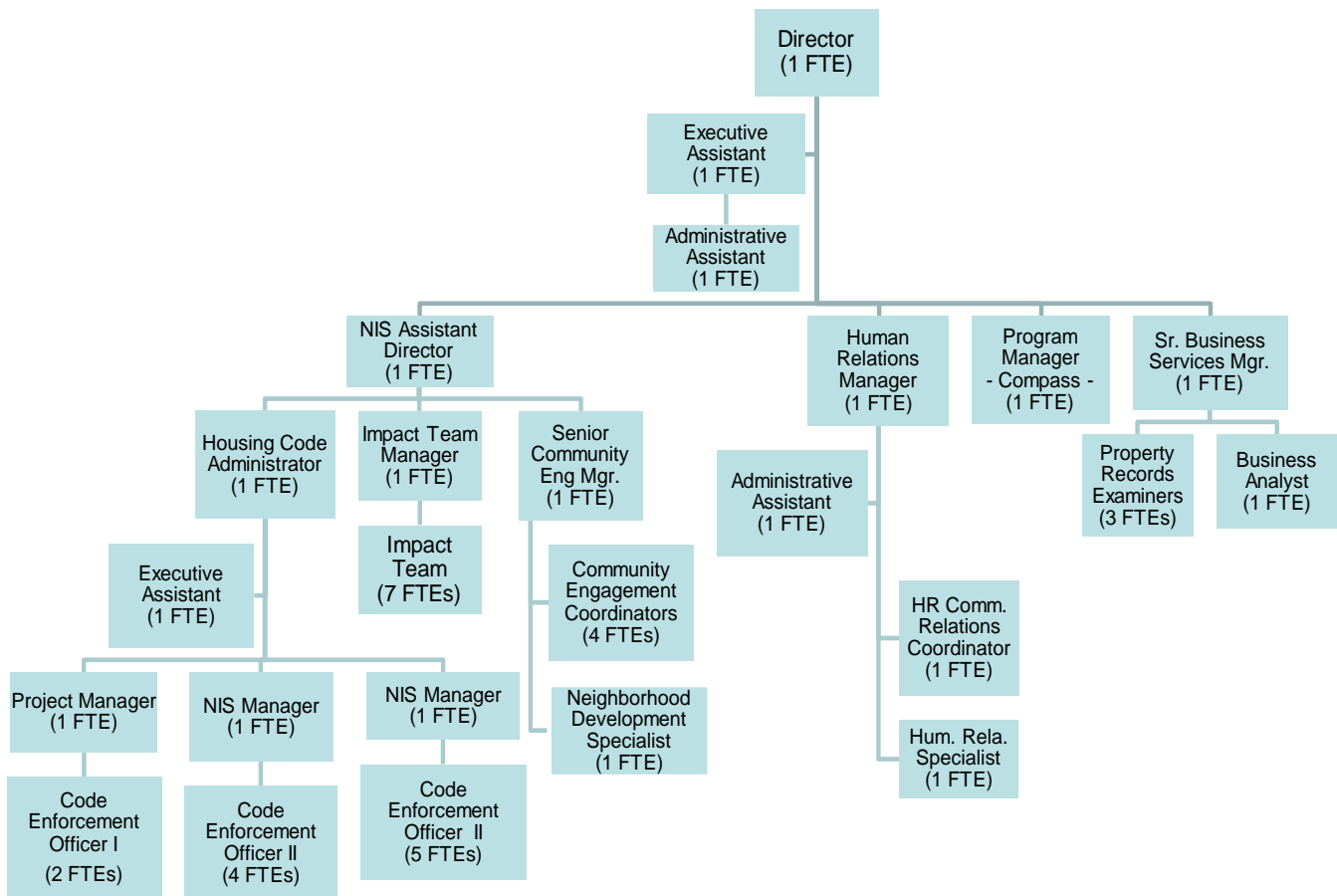
- Continued assistance to be provided to 5 low to moderate income home buyers for the purchase of homes constructed in the Southside Phase II development.
- Complete Financial Literacy counseling with 15 individuals in preparation to purchase a home in the Southside Phase II development.
- Continued assistance provided to 3 low to moderate income home buyers for the purchase of homes in SECD & NECD constructed or renovated by non-profits.
- Complete urgent repairs to the homes of 30 elderly or disabled owner-occupants.

HOPWA Program

- 75% of persons receiving Short Term Rental, Mortgage or Utility (STRMU) payment assistance live in stable/permanent housing at the end of the program year.



Neighborhood Improvement Services (44 FTEs)



NEIGHBORHOOD IMPROVEMENT SERVICES

Purpose Statement:

Building sustainable communities through community engagement, code enforcement, human relations and public nuisance abatement.

DEPARTMENT DESCRIPTION

Neighborhood Improvement Services

General Fund: \$3,731,533

40 FTEs

Grant Funds: \$230,000

4 FTEs

The Department is responsible for enforcement of the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances. The Department's Impact Team abates public nuisances such as litter, graffiti, illegal dumping and abandoned shopping carts. The Community Engagement division provides outreach and education to Durham residents and community organizations. The Human Relations Division enforces the City of Durham's Fair Housing Ordinance and Title VIII of the Civil Rights Act of 1968. The Division accepts housing complaints from residents who feel that they have been discriminated against because of their race, color, religion, national origin, gender, familial status (families with children) or disability (physical or mental). The Department's staff members are responsible for evaluating department achievement of City goals and objectives and maximizing the effectiveness of our people and processes.

Community Improvement Services: Code Enforcement Team

The priority of code enforcement is the day to day management and implementation of all quality of life activities governed by minimum housing code, weedy lot, abandoned vehicle, junk, non-residential, and debris ordinances and statutes.

Contract Services for the Remediation of Unsafe Structures and Related Services

Contract Services supports remediation of dilapidated houses classified as unsafe or those unsafe houses pursuant to Housing Appeals Board orders, and supports prevention and proactive code enforcement activities to improve the City exterior and built environment. This includes landfill tipping charges and contractor services.

Community Improvement Services: Impact Team

The Impact Team Division assists in the City Council's goals of ensuring that residents enjoy a city rich in aesthetic beauty with a healthy environment and sustainable, thriving neighborhoods. The primary focus is the removal of illegal dumpsites, remediation activities for code enforcement, and graffiti removal.

Community Engagement Services

The purpose of the Community Engagement Division is to build neighborhood connections, increase resident participation in community activities, and foster redevelopment of neighborhoods throughout the City. The Division accomplishes this task by acting as the City's internal community engagement consultant and by leading community activities that increase residents' ownership of neighborhood revitalization.

The Community Engagement Division plans and implements neighborhood services and public education/community outreach programs to support neighborhoods. This is accomplished through the facilitation of open communication and interface between city staff and the community. The division also assists with neighborhood organizing, community education, and assisting District PACs in community service efforts.

Neighborhood Compass

The Neighborhood Compass will provide data that allows residents and City government to track progress on neighborhood improvement efforts and shifts in the overall quality of life of Durham neighborhoods. The Neighborhood Compass will help City government allocate resources and establish partnerships to track neighborhood quality of life, increase accountability, and target services to improve community conditions.

Human Relations

The Human Relations Division enforces the City of Durham's Fair Housing Ordinance and Title VIII of the Civil Rights Act of 1968 and the Ordinance has been deemed substantially equivalent to the federal civil rights law in housing. The Division accepts housing complaints from residents who feel that they have been discriminated against because of their race, color, religion, national origin, gender, familial status (families with children) or disability (physical or mental). These services are provided in collaboration and conjunction with the US Department of Housing and Urban Development (HUD) Fair Housing Assistance Program (FHAP). Fair Housing division staff have been certified by HUD to intake, investigate and conciliate housing discrimination cases and all cases that are accepted for investigation are dual filed with HUD.

The Human Relations Division prioritizes community outreach and conducts weekly outreach at designated locations around the City. The Division provides fair housing training throughout Durham to landlords, tenants, the housing industry, residents and the general public. Fair Housing training is provided to increase the knowledge of residents, community groups, and housing providers relative to discrimination in sales, rentals, mortgage and insurance discrimination, reasonable accommodations and design and construction requirements.

The Human Relations Division develops and fosters programs aimed at addressing and enhancing racial and cultural relations to create a greater level of harmony in the community. The Human Relations Division provides staff oversight to the Durham Human Relations Commission and the Mayor's Hispanic-Latino Inclusion Committee.

In addition to the above, the Human Relations Division offers a free Basic Energy Education (BEE) training to Durham residents, homeowners, renters, neighborhood groups and to the general public. The training sessions assist residents by helping them to understand what they can do on their own to reduce their electric bill.

Business Services

This division provides the fiscal and legal support for the Department's operations, including budget development and implementation, title searching, preparation and recording of legal documents, invoice preparation and billing, GIS mapping, technology support, and website maintenance.

Administration

This division provides oversight through the Office of the Director, and the ongoing administrative and managerial functions that are required for daily operations of the Department, including: fiscal, financial and program management; personnel administration and development; customer service, strategic planning, quality control, process improvement, and performance reporting.

**Grant funding on Neighborhood Improvement Services code enforcement pages represents CDBG funding that is received by Community Development and passed through to NIS. This \$140,000 is included in the total CDBG amount shown on Community Development's budget pages.*

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 2,681,450	\$ 2,812,932	\$ 2,813,157	\$ 2,947,373	4.8%
Operating	645,817	682,426	881,741	734,160	7.6%
Capital and Other	13,150	-	16,500	50,000	100.0%
Total Appropriations	\$ 3,340,417	\$ 3,495,358	\$ 3,711,398	\$ 3,731,533	6.8%
Full Time Equivalents	41	40	40	40	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,338,213	\$ 3,495,358	\$ 3,711,398	\$ 3,731,533	6.8%
Program	2,204	-	-	-	0.0%
Total Revenues	\$ 3,340,417	\$ 3,495,358	\$ 3,711,398	\$ 3,731,533	6.8%
<i>Grant</i>					
Personal Services	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	0.0%
Operating	113,250	25,000	16,350	25,000	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 318,250	\$ 230,000	\$ 221,350	\$ 230,000	0.0%
Full Time Equivalents	4	4	4	4	-
Part Time	-	-	-	-	-
Revenues					
CDBG	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	0.0%
HUD	178,250	90,000	81,350	90,000	0.0%
Total Grant Revenue	\$ 318,250	\$ 230,000	\$ 221,350	\$ 230,000	0.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Code Enforcement Team	General Fund:	\$1,073,020
		FTEs:	13
		Grant Funds	\$140,000
		FTEs:	3
Goal:	Thriving, Livable Neighborhoods		
Objective:	Eliminate substandard residential and non-residential structures City-wide.		
Initiative:	To aggressively enforce the Minimum Housing Code, the Non-Residential Code and the Unsafe Building Ordinance in the City of Durham.		
Initiative:	Conduct inspections of rental units City-wide, which includes Designated Area PRIP and reasonable cause inspections.		
Initiative:	Conduct public awareness campaign to inform the public about code enforcement programs and create demand.		

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Housing inspections in Designated Area	3,453	3,575	2,600	3,000
% Designated Area cases with violations	85%	75%	80%	75%
# Housing inspections outside of Designated Area	1,637	1,600	1,750	1,600
# Non-residential structure initial inspections	80	35	35	35

Objective: Reduce number of boarded properties in low-mod areas.

Initiative: Maintain directory of all boarded properties in the City of Durham.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Boarded houses in low-mod areas	145	75	75	40

Objective: To enforce the Abandoned, Junk and Hazardous Vehicle Ordinance.

Initiative: Work with other city departments to proactively identify and eliminate abandoned, junk, and hazardous vehicles by sending Code Enforcement Teams out to canvass inner-city neighborhoods.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Vehicle inspections	702	550	550	500

Objective: To enforce the ordinance that addresses trash and undergrowth on property.

Initiative: Work with other city departments to proactively identify and eliminate junk and weedy lots by sending Code Enforcement Teams out to canvass inner-city neighborhoods.

Initiative: Forward cases to Community Life Court that cannot be abated through self-help remedy.

Initiative: Actively enforce the ordinance in order to reduce the number of repeat violators.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Weedy lot inspections	5,828	4,720	4,720	4,400

Objective: To encourage neighborhood revitalization and restoration.

Initiative: Focus on strategies that encourage restoration and reinvestment in Durham neighborhoods.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Value of renovation/rehab driven by minimum housing code permits	\$503,088	\$400,000	\$400,000	\$400,000

Program: Contract Services for the remediation of unsafe structures **General Fund: \$114,804**
FTEs: 0

Goal: Thriving, Livable Neighborhoods

Objective: To remediate unsafe residential and non-residential structures located in the City of Durham.

Objective: To increase the number of cases presented to the Housing Appeals Board and Community Life Court.

Objective: To enforce the orders of the Housing Appeals Board and Community Life Court.

Initiative: Code enforcement officers will identify all dilapidated vacant houses in their areas and administer the code enforcement process to achieve code compliance.

Initiative: Present all unsafe or unsound structure cases to Community Life Court or the Housing Appeals Board if property is not brought into compliance.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% Unsafe & Repair/Demolish structures compliance by owner	65%	68%	63%	65%
# Demolished by Owner	28	12	12	12
# Rehabilitated by Owner	17	40	20	25
% Unsafe & Repair/Demolish structures brought into compliance by City	35%	32%	37%	35%
# Demolished by City	7	5	7	5
# Stabilized by City	16	20	12	15
# Unsafe & Repair/Demolish structures brought into compliance – Total	68	77	51	57

Program: Community Improvement Services: Impact Team **General Fund: \$600,376**
FTEs: 8

Goal: Thriving, Livable Neighborhoods

Objective: Decrease response time to public nuisances

Initiative: Implement measures to improve the effectiveness and efficiency of the Impact Team.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Illegal dumps removed	1,232	800	1,000	900
% Illegal dumps removed within 24 hours of notification	99%	99%	99%	99%
# Tons of junk/debris removed	812	700	800	750
# Graffiti sites removed	460	400	300	375
% Graffiti removed within 24 hours of notification	99%	99%	99%	99%
% Grocery carts returned within 24 hours of notification	100%	100%	100%	99%

# of Properties brought into compliance through site remediation	442	375	400	375
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Program: Community Engagement Services

General Fund: \$549,224

FTEs: 6

Goal: Thriving, Livable Neighborhoods

Objective: Planning and implementation of neighborhood services and public education/community outreach programs to support neighborhoods and the facilitation of open communication and interface between city staff and the community.

Initiative: Expand outreach activities to reach citizens by using PAC brochures, fliers, and other written materials.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# residents attending PAC meetings:				
PAC 1	469	750	750	750
PAC 2	600	600	600	600
PAC 3	494	750	750	750
PAC 4	538	750	750	750
PAC 5	212	150	150	150
Total	2,313	3,000	3,000	3,000

Objective: Increase NECD resident participation in community and City-sponsored events.

Initiative: Increase representation from all neighborhoods in NECD.

Initiative: Support Mayor's Poverty Reduction Initiative.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of residents attending NECD Livability Initiative activities / Mayor's PRI activities	1,499	2,000	2,000	2,250

Objective: Work with the community to remove public nuisances and blight that contributes to crime and unsafe and unhealthy conditions in neighborhoods. Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods. Encourage resident involvement and ownership in neighborhood redevelopment and community problem solving.

Initiative: Beautification/Safety Assessment – Partner with residents to encourage safety and pride in neighborhoods.

Initiative: Embrace Your Neighborhood – Identify and complete minor repairs for low- wealth property Owners.

Initiative: Neighborhood/Homeowners Associations - Identify associations, and provide assistance to enable residents to create new neighborhood and homeowners' associations.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of Beautification/Safety Assessments	19	16	16	16

# of neighborhood or homeowner associations on City's official community engagement list	240	275	275	285
% of households belonging to a neighborhood or homeowners association	54%	62%	62%	70%
# of new neighborhood or homeowner associations on the city's official community engagement list from Prior Year	148	35	35	10

Objective: Provide seamless services to customers. Increase the visibility of NIS's role as the City's internal consultant for community engagement. Encourage resident involvement and ownership in neighborhood redevelopment and community problem solving.

Initiative: Internal Consultant - Provide support to city departments throughout the city of Durham.

Initiative: Community Liaison – Provide community support by assisting residents in address their individual and neighborhood concerns.

Initiative: Dynamic Facilitation – Conduct neighborhood workshop to build capacity and consensus.

Initiative: Community Outreach – NIS sponsored outreach activities for the residents of Durham.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of internal consultant activities	178	100	145	150
# of residents reached through internal consultant activities	72,688	64,000	64,000	64,000

Objective: Make the streets of Durham a viable option for safe and fun activity for all residents. Promote better health in City of Durham neighborhoods

Initiative: Bull City Play Streets – Provide five Citywide play streets, and offer mini scholarships for neighborhood events.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of participants at Play Streets events	2,166	3,000	3,000	1,500
% of participants who were more physically active that day	75%	50%	60%	70%

Objective: Equip and supply landlords with knowledge, and tools order to preserve and improve the built and natural environment.

Initiative: Landlord Training

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# attendees at Landlord Training	24	36	36	50
Program:	Neighborhood Compass		General Fund:	\$86,895
			FTEs:	1
Goal:	Thriving, Livable Neighborhoods			
Objective:	Provide data that allows residents and local government to track progress on neighborhood improvement efforts and shifts in our overall quality of life. The Neighborhood Compass will help local government allocate resources and establish partnerships to track neighborhood quality of life, increase accountability, and target services to improve community conditions.			
Initiative:	Expand the impact of the Neighborhood Compass by increasing partnerships and engagement with community groups and expanding its measures.			

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% of Compass measurements that reflect City Strategic Plan goals	44%	50%	50%	50%
% of Compass users that are not City staff	75%	70%	75%	75%
% of Compass users creating reports, downloading data, or actively using the website	70%	85%	50%	50%
Number of designated data dimensions represented in the Compass	8	9	8	9
Program:	Human Relations		General Fund:	\$234,742
			FTEs:	3
			Grant Fund	\$90,000
			FTEs:	1
Goal:	Thriving, Livable Neighborhoods			
Objective:	To ensure that housing discrimination complaints are processed in accordance with HUD guidelines and the Fair Housing Ordinance.			
Initiative:	To provide intake, investigation, enforcement and conciliation of complaints within required time frames and to keep the complainants and respondents aware of the status of their complaints.			

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# intakes, inquiries, supporting services	368	200	500	700
# HUD cases processed	31	40	40	40
Avg. # of days to investigate and issue finding for housing discrimination complaints	62	75	75	75

% of complaints investigated and closed within 100 days	100%	100%	98%	90%
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Objective: To consistently deliver high quality fair housing education and training to landlords, tenants, homeowners, community groups, and the general public.

Initiative: Provide fair housing training that is designed to better educate the public about the policies, practices and regulations of the Fair Housing Act and the City of Durham Fair Housing Ordinance.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of participants receiving fair housing training	864	800	1,100	1,200
% of participants who feel they have gained useful knowledge from training	100%	98%	98%	98%

Objective: To work directly with residents, neighborhood organizations, community leaders, government agencies, schools, and other groups in partnership with the Human Relations Commission to promote fair housing and help communities become more harmonious, respectful, and cohesive.

Initiative: Conduct public awareness campaign to promote Division services and to enhance their understanding of fair housing laws, rules and federal regulations.

Initiative: Expand outreach and fair housing education to Hispanic-Latino residents, landlords, organizations and tenants. Create and disseminate materials in Spanish to promote Division activities.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of Human Relations events and partnership activities	55	70	90	95
# of participants in HR-sponsored events and outreach activities	2,527	2,000	2,000	2,000

Objective: Provide Durham residents Basic Energy Education (BEE) training and to empower them to train their neighbors and other residents on ways to save energy.

Initiative: Conduct public awareness campaign to promote and market BEE training program

Initiative: Expand BEE training to Hispanic-Latino communities by providing BEE training in Spanish. Empower residents to train friends and relatives on ways to save energy.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Basic Energy Education (BEE) training and outreach activities	62	70	70	75
# attendees at Basic Energy Education (BEE) presentations	711	700	700	700
% of participants who feel that they have gained useful knowledge from BEE training	100%	99%	99%	99%
% of participants who have utilized at least one energy saving tip from the training	91%	90%	90%	90%

Program: Administration

General Fund: \$1,072,472

FTEs: 9

Goal: Innovative & High Performing Organization

Objective: To maximize the effectiveness and efficiency of the Department's employees.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Staff participating in culture of service projects	44	44	44	44
% Staff participating in culture of service projects	100%	100%	100%	100%

BUDGET ISSUES FOR FY 2016-17

- None

DEPARTMENT ACCOMPLISHMENTS FOR FY 2015-16

- Enforced the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Responded to resident concerns received through Durham One Call in 24 to 48 hours.
- Continued housing inspections in the City Council Designated Areas through the Proactive Rental Inspection Program (PRIP): Proactive and Reasonable Cause.
- Boarding removed (by owners and City) from 70 structures.
- Stabilized 10 substandard properties.
- Secured 24 vacant properties using clear polycarbonate panels.
- Presented 40 cases to the Housing Appeals Board.
- Presented 60 cases to the Community Life Court; dismissed an additional 70 cases prior to Community Life Court appearance.
- Conducted five Play Street events including neighborhood mini grants
- Provided 5 landlord training workshops.
- Expanded the Embrace Your Neighborhood Program to assist 3 low-wealth families with housing repairs and assist neighborhoods with clean-ups, yard maintenance, and landscaping.
- Coordinated NECD projects with the Mayor's PRI and the NECD Leadership Council that demonstrate measureable benefit/impact to neighborhoods.
- Coordinated NECD projects with the NECD Livability Initiative and the NECD Leadership Council that demonstrate measureable benefit/impact to neighborhoods.
- Promoted healthy living activities through the "Durham on the Move" partnership with the Durham County Department of Public Health.
- Developed and leveraged resources to support community engagement, neighborhood revitalization and capacity building.
- Continued interdepartmental collaboration to serve as the city's internal community engagement consultant with the community for at least 50 events.
- Continue to enforce the City of Durham's Fair Housing Ordinance and Title VIII of the Federal Fair Housing Act by providing intake, investigation and conciliation of housing complaints alleging discrimination on the basis of race, color, sex, religion, national origin, familial status and disability.
- Provided Fair Housing Training Seminars for landlords, property managers and the general public.
- Provided Fair Housing training seminars and workshops for landlords, property managers, housing providers, public housing tenants and the general public.
- Provided weekly fair housing education and outreach at designated locations around the City.
- Served as Staff Liaison for the Durham Human Relations Commission.
- Conducted Annual Human Relations Month Awards Ceremony in February.

- Conducted Annual Women's Forum during Women's History Month in March.
- Conducted Fair Housing Month programs and partnership activities during month of April.
- Continued Citywide Basic Energy Education training and measure the success of the training.
- Served as Staff Liaison for the Mayor's Hispanic-Latino Inclusion Committee.
- Conducted Spanish fair housing workshops in partnership with El Centro and other agencies.
- Conducted Hispanic Heritage Month Celebration during Hispanic Heritage Month.
- Supported 21 National Night-Out events across the City by barricading streets with materials from Transportation Department.
- Mowed 221 parcels removed debris from 92 and secured 12 vacant structures from July through January.
- Removed 586 displaced shopping carts from 256 different locations from July through January.
- Removed 1,733 symbols/scripted words of graffiti from 166 different locations from July through January.
- Conducted 76 Community Building/Beautification projects with special interest groups and 17 assistance initiatives for other departments from July through January.

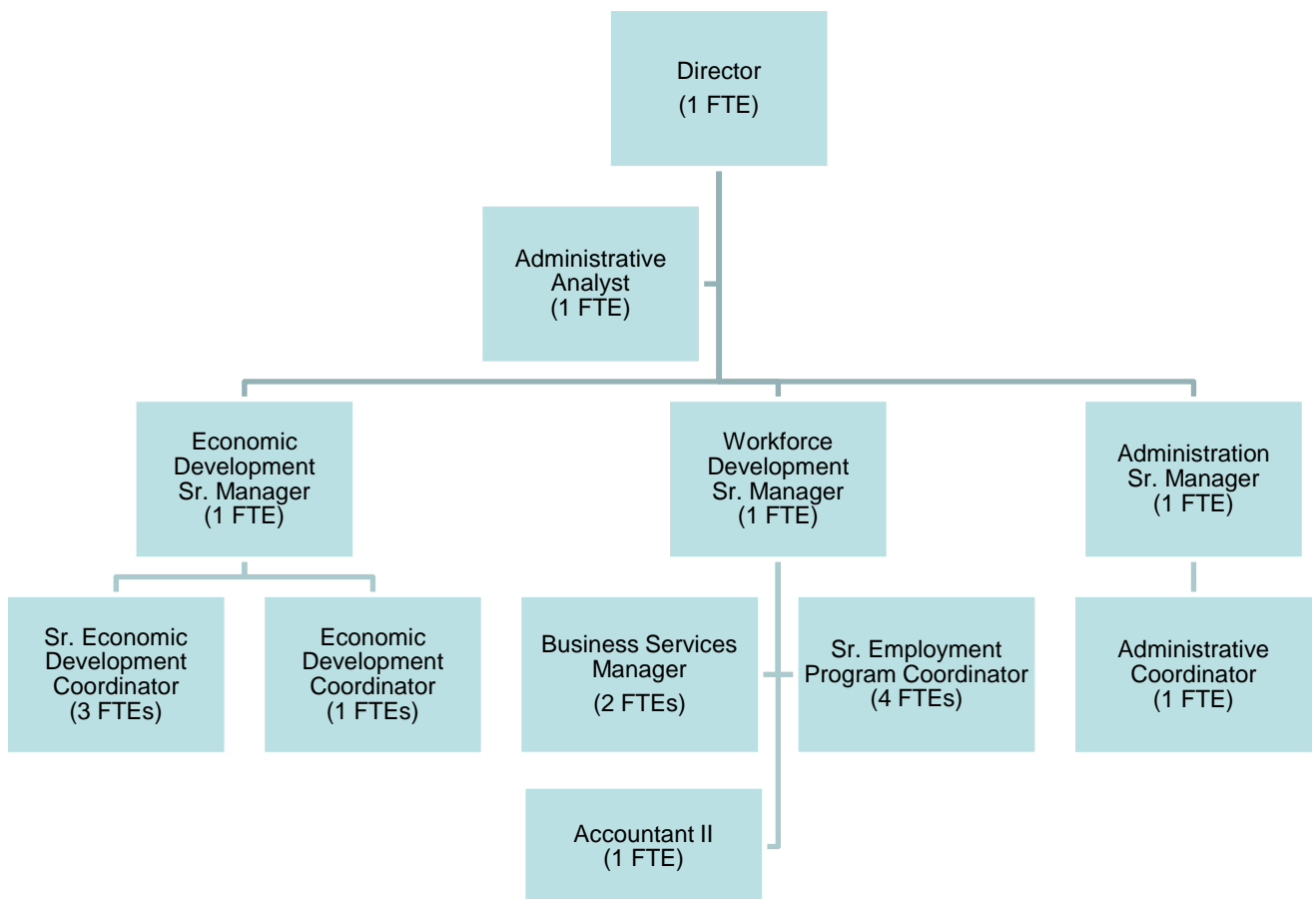
ANTICIPATED DEPARTMENT ACCOMPLISHMENTS FOR FY 2016-17

- Enforce the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Respond to resident concerns received through Durham One Call in 24 to 48 hours.
- Continue housing inspections in the City Council Designated Areas through the Proactive Rental Inspection Program (PRIP): Proactive and Reasonable Cause.
- Increase voluntary compliance for housing cases city wide by 2%.
- Boarding removal (by owners and City) from 35 structures.
- Stabilize 15 substandard properties.
- Secure 35 vacant properties using clear polycarbonate panels.
- Present 44 cases to the Housing Appeals Board.
- Present 80 cases to the Community Life Court; dismiss an additional 70 cases prior to Community Life Court appearance.
- Formalize Durham and Triangle partner commitments to advance neighborhood indicators services for local government and community users.
- Develop more community partnerships using the Neighborhood Compass 2.0 as a springboard for engagement.
- Implement new initiative - City Hall on the Go - Mobile unit that provides both accessible internal and external city program information and excellent customer service to the Durham community.
- Implement new initiative - Community Mini Grants - Neighborhood Grants will provide competitive mini-grants up to \$2,500 to neighborhood groups to fund projects, which provide public benefit to the neighborhood.
- Implement new initiative - Neighborhood Spotlight - Initiative will recognize the contributions of Durham residents in service to their neighborhoods.
- Provide ten Landlord Training Workshops.
- Provide two Homeowner Associations Workshops.
- Continue the Embrace Your Neighborhood Program to assist low-wealth families with housing repairs and assist neighborhoods with clean-ups, yard maintenance, and landscaping.
- Coordinate NECD projects with the Mayor's PRI and the NECD Leadership Council that demonstrate measureable benefit/impact to neighborhoods.
- Develop and leverage resources to support community engagement, neighborhood revitalization and capacity building.
- Continue interdepartmental collaboration to serve as the city's internal community engagement consultant with the community for at least 25 events.
- Continue collaboration with the Police Department to promote a positive community relationship thru public activities.
- Impact Team will prioritize safe remediation of private properties to improve residents' quality of life and provide a revenue stream for the City of Durham.
- Impact Team will respond to all resident concerns within 24 hours of notification.

- Impact Team will seek additional partners for projects that will benefit the community and create a greater sense of neighborhood pride.
- Continue to enforce the City of Durham's Fair Housing Ordinance and Title VIII of the Federal Fair Housing Act by providing intake, investigation and conciliation of housing complaints alleging discrimination on the basis of race, color, sex, religion, national origin, familial status and disability.
- Continue to respond to informal resident housing complaints and inquiries.
- Provide Fair Housing training seminars and workshops for landlords, property managers, housing providers, public housing tenants and the general public.
- Provide weekly fair housing education and outreach at designated locations around the City.
- Serve as Staff Liaison for the Durham Human Relations Commission.
- Conduct Annual Human Relations Month Awards Ceremony in February.
- Conduct Annual Women's Forum during Women's History Month in March.
- Conduct Fair Housing Month programs and partnership activities during month of April.
- Continue Citywide Basic Energy Education training and continue to measure the success of the training.
- Serve as Staff Liaison for the Mayor's Hispanic-Latino Inclusion Committee.
- Conduct Bi-lingual fair housing workshops in partnership with El Centro and other agencies.
- Conduct Hispanic Heritage Month Celebration during Hispanic Heritage Month.



Office of Economic & Workforce Development (17 FTEs)



OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

Purpose Statement: To innovatively drive economic prosperity in Durham by:

- Revitalizing Durham neighborhoods;
- Increasing Durham's commercial tax base;
- Assisting in attracting, creating, expanding and retaining businesses;
- Fostering a skilled workforce.

DEPARTMENT DESCRIPTION

Office of Economic & Workforce Development

General Fund: \$3,260,338

10.5 FTEs

Grant Funds: \$1,847,590

6.5 FTEs

Economic Development Division

The Economic Development Division is charged with executing the City of Durham's economic development strategy, which encourages growth and investment across the City. Our strategy is centered on three major priorities: attracting businesses, revitalizing neighborhoods and creating jobs. The division is dedicated to promoting City initiatives and providing economic tools to business owners interested in relocating to or expanding their companies within the City of Durham. The division coordinates a myriad of economic development incentives and programs with businesses. Our strategy involves building upon the City's strengths to promote existing businesses and retain jobs; to facilitate business expansion and startups; and to recruit new businesses and related employment to the City. Because business recruitment is very competitive, we partner with the State of North Carolina Department of Commerce, the Durham County Government, Downtown Durham, Inc., the Research Triangle Regional Partnership, the Research Triangle Park Foundation, the Greater Durham Chamber of Commerce, the Durham Convention and Visitors Bureau and a multitude of other economic development organizations and the private sector to ensure that companies utilize the appropriate tools to help start, grow or locate their businesses in Durham.

The Economic Development Division serves in a myriad of roles to achieve organizational outcomes. Staff members within the division may serve as:

- **Initiators** - through analyzing proposals, distributing public funds, investment incentives, and the creation and retention of a favorable economic environment that stimulates growth;
- **Facilitators** - creating public-private partnerships and coordinating activities and communications between different agencies, territories, and stakeholders. It is our job to bring the different stakeholders to the bargaining table, gather resources, mediate and match buyers with suppliers and facilitate business partnerships.
- **Conveners** - essential to achieving successful outcomes in collaborative processes, especially when the solutions reached require action by multiple sectors and levels of government.

Development, Infrastructure and Redevelopment - public-private partnerships emphasize working in collaboration with economic development partners on transformative projects through the investment of financial and technical assistance resources that increase the tax base, create jobs and maximize private sector investment. These projects contribute to a strong and diverse economy in support of Goal One of the City-wide Strategic Plan. Durham has benefited from several successful public-private ventures. Amenities such as the Durham Performing Arts Center, the Durham Bulls Athletic Park and the Durham Athletic Park have solidified Durham's growing reputation as a community committed to the expansion of cultural arts. The revitalization of downtown has yielded a thriving City Center, and continues to be an economic engine for startup businesses and entrepreneurs. Neighborhood revitalization has been bolstered and will continue through projects such as Save-A-Lot Food Stores, the redevelopment of the Old Y.E. Smith School and infrastructure projects, such as the Angier-Driver Streetscape Project.

The division develops and facilitates the economic development strategies to promote property redevelopment and reuse by taking previously developed properties or areas to a higher, more productive use. Staff facilitate the coordination among developers, banks, regulatory authorities and private businesses to economically revitalize neighborhoods, remove blight and improve the quality of life.

Effective Business Development, Attraction, Retention and Expansion Services provide technical assistance to help businesses start, grow and relocate to Durham. Partnerships with many of the aforementioned community stakeholders will be essential, along with coordination of other City departments. Another key component will be the assessment and evaluation of business services to ensure services are relevant to current business needs. Durham-Based Business Plans are designed to build capacity in Durham's small businesses in order to help them compete for contracting opportunities created by private sector growth in Durham, as well as public sector infrastructure projects. The division develops strategies and public-private partnerships that meet the capital needs of businesses that are not addressed by traditional lending and investment institutions. The programs are targeted to meet the following economic development opportunities: (1) job creation and retention; (2) business creation, retention and expansion; (3) economic diversification and stability; and (4) support for disadvantaged and underserved businesses. Staff provide project management services and develop economic development strategies to promote business clusters for Durham's targeted neighborhoods by working to facilitate the formation of industry associations, networks and support centers addressing common needs to help local neighborhood-based businesses implement new technologies and business practices.

Cultural/Creative Arts Innovation and Tourism Development - spearheading and implementing a comprehensive planning process for cultural/creative arts and tourism development that creates a coordinated economic development strategy and provides project management and analysis for developer submissions, planning projects and interagency effort coordination on area-wide initiatives. The division develops, supports and expands the City's Public Art initiatives and infrastructure. Staff provide expertise and advocacy for public art improvements that stimulate economic development and serve the needs of Durham's creative entrepreneurs, businesses, residents and visitors.

Staff work in collaboration with the Durham Convention and Visitors Bureau and other community stakeholders to promote heritage/history tourism based on interest in Durham's history, culture, or natural resources. We work to attract new and promote existing Durham-based festivals, celebrations and events to draw visitors to Durham.

Workforce Development Division

Planning and Re-engagement – The Durham Workforce Development Board (DWDB) 2015-17 Strategic Plan drives the collaboration between the private- and public-sector members of the Board as well as the staff members of the partner agencies that comprise the NCWorks Career Center system, i.e., the Office of Economic and Workforce Development (OEWD), Durham Technical Community College (DTCC), the Durham Public Schools (DPS), etc.

For the past year, we have focused on the plan's following strategic objectives and initiatives:

- Engaging in partnerships between businesses and the workforce system with an emphasis on steadily growing and quickly growing fields;
- Reimagining and strengthening the NCWorks brand;
- Reconfiguring and/or expanding the scope of work for the DWDB as the single coordinating entity for workforce development programs for businesses and adult and dislocated workers;
- Reconfiguring and/or expanding the scope of work for the DWDB as part of a three-part coordinating group, i.e., DWDB, Made in Durham (MID), and the Youth Opportunity Initiative (YOI), for youth development programs;
- Improving the selection process for and the composition of the DWDB for greater effectiveness and future compliance with the Workforce Innovation and Opportunity Act (WIOA);
- Expanding collaboration with public, private, and nonprofit partners;
- Strengthening the effectiveness of DWDB subcommittees;
- Strengthening and simplifying service delivery; and,
- Strengthening the effectiveness and efficiency of youth-based programs within the community.

Additionally, OEWD staff members have been working with Durham County staff and City strategic planning staff to begin implementation of the Joint Economic Development Strategic Plan. This plan includes the following Strategic Focus Area with relevance to workforce development: Strategic Focus Area 4 – Talent Development and Recruitment.

Finally, OEWD staff continues to work and collaborate with community members and external agency staff to implement the steps in the Jobs Action Plan for the Mayor's Poverty Reduction Initiative. This year, the focus has been on childcare, transportation, criminal backgrounds, OEWD, and use of the Holton Career and Resource Center for residents in Blocks 2 & 3 of the 10.01 Census Block.

Job Preparation and Placement Services are delivered through the Durham NCWorks system, which includes the NCWorks Career Centers. This system connects Durham businesses with well-trained, top talent seeking new employment or upgrading their career paths. Federal and private-sector funding supports training and workforce placement programs for eligible adults, laid-off workers, and youth. Included within the system, the Justice Involved Initiative provides employment orientations and workshops that maximize employability. These sessions deliver customized job development, job placement, and retention activities, as well as training. City funds supplement employment and training opportunities for youth and justice involved individuals.

Other special initiatives include the US Environmental Protection Agency (EPA) Brownfields Grant for job training, certification, and placement, and, the two-year NCWorks system's Jobs Driven National Emergency Grant (JDNEG), which is a hallmark grant of over \$500,000 to OEWD and Durham Technical Community College that provides training in high-demand fields and results in Certified Production Technician (CPT) certifications, BioWork Process Technician certifications, OSHA certifications for Biowork students, and certifications for CPT students in each of the following modules: Quality Practices and Measurement, Maintenance Awareness, Safety, and Manufacturing Processes and Production. Students were also trained in the following areas: Dialysis Technician, EKG Technician, Phlebotomy, Clinical Support, Technician (CST), Central Sterile Processing Technician (CSP), Customer Service/ Call Center, and START: Careers in Hotel and Lodging. All students will also earn the Career Readiness Certificate. This initiative results in job placements and includes on-the-job training (OJT) as an intervention.

We are continuing and refining the implementation of a demand-driven, Integrated Service Delivery (ISD) system at the Durham NCWorks Career Centers. The main objective of Durham's ISD is more customers receiving skill enhancement services that are critical to the local, regional, and statewide economy and are necessary for meeting the needs of Durham's local employers. ISD is designed to impact key operational objectives by improving access to services; increasing efficiency in the use of limited resources by eliminating duplication; ensuring efficient customer flow; and improving program performance.

The Durham YouthWork Internship Program (DYIP) for youth ages 14-24 continues to build on occupational and life skills. It also supports career exploration for youth in public- and private-sector occupations with an emphasis on high-growth, high-demand careers, e.g., STEAM (Science, Technology, Engineering, Arts, and Mathematics). The DYIP is supported through the contributions of Durham County, DPS, MID, DTCC, and the business community.

Provision of High Quality Services to Businesses – Partnerships through the Business Engagement Team, NCWorks, the new Adult Provider Collaborative, StepUp Ministry, and many other nonprofit and governmental entities provide resources to businesses for finding top talent. Also, the implementation of workforce development plans with businesses that receive incentives from the City and County, as well as public sector departments that undertake infrastructure projects, are key strategies designed to make the Durham NCWorks system easier for businesses to use and to facilitate job placement and retention for Durham residents. This includes support of pipeline efforts planned and evaluated by the Durham NCWorks Career Center Leadership Team. OEWD promotes the Durham NCWorks Career Centers to business and community stakeholders by doing the following: 1) increasing awareness, 2) creating stronger linkages between the Durham NCWorks Career Centers and businesses through direct outreach, 3) coordinating opportunities for businesses to use the Durham NCWorks Career Centers through recruitment and hiring efforts, and 4) strengthening relationships with local community colleges and universities. OEWD also participates as an active member of regional and statewide business services teams, which involves the coordination of recruitment assistance for area businesses and provision of outplacement services for businesses facing layoffs/closures. Finally, we continue to support staff members who oversee special grants/initiatives through employer outreach in an effort to develop placement and career exploration opportunities for jobseekers.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 1,106,321	\$ 1,077,763	\$ 1,084,047	\$ 1,087,369	0.9%
Operating	1,470,679	1,809,254	2,772,970	2,072,969	14.6%
Capital and Other	-	-	-	100,000	100.0%
Total Appropriations	\$ 2,577,000	\$ 2,887,017	\$ 3,857,017	\$ 3,260,338	12.9%
Full Time Equivalents	10	10.5	10.5	10.5	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 2,569,902	\$ 2,882,017	\$ 3,855,517	\$ 3,255,338	13.0%
Program	7,098	5,000	1,500	5,000	0.0%
Total Revenues	\$ 2,577,000	\$ 2,887,017	\$ 3,857,017	\$ 3,260,338	12.9%
<i>Grant</i>					
Personal Services	\$ 543,803	\$ 480,992	\$ 480,992	\$ 505,330	5.1%
Operating	1,508,283	1,266,598	1,266,598	1,342,260	6.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 2,052,086	\$ 1,747,590	\$ 1,747,590	\$ 1,847,590	5.7%
Full Time Equivalents	7	6.5	6.5	6.5	-
Part Time	1	1	1	1	-
Revenues					
EPA Brownfields	\$ 199,998	\$ 199,998	\$ 199,998	\$ 299,998	50.0%
Employment Training	1,852,088	1,547,592	1,547,592	1,547,592	0.0%
SAMHSA	-	-	-	-	0.0%
Total Grant Revenue	\$ 2,052,086	\$ 1,747,590	\$ 1,747,590	\$ 1,847,590	5.7%
Total Budget	\$ 4,629,086	\$ 4,634,607	\$ 5,604,607	\$ 5,107,928	10.2%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Downtown Redevelopment

General Fund: \$1,745,144

FTEs: 2.25

Goal: Strong & Diverse Economy

Objective: To drive commercial activity, job creation and decrease vacancies

Initiative: Medium to Large-Scale Projects

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Downtown economic development projects evaluated and facilitated	3	7	3	3
# of Downtown economic development projects approved	0	4	2	2
Office vacancy rate (Downtown) ¹	6%	9%	9%	9%
¹ NAI Carolantic Realty, 2014 Triangle Commercial Real Estate Report				
Qualified Capital Investment dollars attributable to downtown projects receiving City economic development incentives	\$0	\$183,000,000	\$167,000,000	\$80,000,000

Program: Neighborhood Development/Redevelopment

General Fund: \$565,205

FTEs: 2.75

Goal: Strong & Diverse Economy

Objective: To drive commercial activity, job creation and decrease vacancies

Initiative: Medium to Large-Scale Projects

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Neighborhood economic development projects evaluated and facilitated	3	5	3	2
# of Neighborhood economic development projects approved	1	2	2	2
Qualified Capital Investment dollars attributable to neighborhood projects receiving City economic development incentives	\$395,000	\$1,500,000	\$5,896,000	\$1,500,000

Program: Business Expansion and Retention Services

General Fund: \$178,731

FTEs: 1

Goal: Strong & Diverse Economy

Objective: Improve business prospects for small businesses (especially professional services firms and contractors)

Initiative: Implement Durham-based Business Plan

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of Durham-based firms awarded contracts from approved economic development projects (DBBP)	173	60	115	60

Program: Cultural/Public Art

Goal: Strong & Diverse Economy

Objective: Increase the availability of the arts to encourage economic development, pedestrian experience and quality of life.

Initiative: Develop an ongoing public arts program and to support the growth and expansion of other cultural programs.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of New public art installations facilitated annually	3	4	1	2
# of New cultural arts programs developed annually to support tourism and economic development	1	4	0	2

Program: Job Preparation and Placement

General Fund: \$497,652

FTEs: 2.5

Grant Funds: \$1,847,590

FTEs: 6.5

Goal: Strong and Diverse Economy

Objective: Job creation and placement of Durham residents aged 24 and older

Initiative: Implement grant funded programs for eligible adults and laid off workers

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of participants	3,086	5,000	4,000	3,500
Cost per participant	\$403	\$200	\$250	\$300

Initiative: Implement Ex-Offender placement and training program

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% Placed in employment or training	70%	60%	60%	60%

% All ex-offender participants
placed in employment
remaining on the job at least
6 months

76%

60%

60%

60%

Objective: Help youth achieve educational and employment success

Initiative: Implement short-term employment programs for youth (Durham YouthWork Internship Program)

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of participants in employment	480	250	500	534
% completing work assignment	99%	95%	99%	100%

Initiative: Implement grant funded programs for low income youth

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of youth participants	155	150	150	160
Cost per participant	\$2,500	\$2,500	\$2,500	\$2,500
% Entering employment or post-secondary education	43%	70%	70%	70%

Program: Administration

General Fund: \$273,606
FTEs: 2

BUDGET ISSUES FOR FY 2016-17

- Limited funding allocated to neighborhood revitalization may prohibit the ability to support potentially transformative projects in the commercial corridors. The funding needs of projects from developers exceed the current allocation.
- Planning effective, quality workforce development programs will continue to be challenging, because a vast majority of the funding comes through the Workforce Innovation and Opportunity Act and that award will not be announced until May 2016. However, increases in funding are not expected. In fact, last year, funding was significantly decreased overall at approximately \$400,000. Therefore, we will aim to leverage the resources of system partners and will seek additional grant funding sources. The State's requirement to expend at least 35% of WIOA funds toward training will be a challenge in that it will reduce funding for other expenses such as rent, utilities, etc.
- Partnering and leveraging resources with Durham County, DPS, and the private sector to expand the DYIP will continue to be challenging. Greater investment from the private sector continues to be needed to ensure the future growth of the program.
- The DYIP and the Business Engagement Team are creating a stronger connection between what youth learn in internships and what they are learning in school. To build this connection, we will need more intensive job counseling and coaching for interns. At the same time, staff funding has leveled off. DYIP will continue to work with public and private partners to create a team of job coaches for summer 2016.
- The DYIP and the Business Engagement Team continue to seek internships in the private sector. While these positions allow the program to expand, private industry prefers older, more skilled youth. Funds are needed to continue to provide internships to younger (14-15 years of age) and less experienced youth.

Downtown Development

- Negotiated and initiated implementation of economic development incentive agreements, Durham Workforce Plans, and Durham-Based Business Plans for the development of two transformative downtown innovation campuses that together project creation of as many as 1,560 new permanent jobs, enhanced property tax revenues, and significant solidification of Durham as a leading industry hub for life sciences, Science, Technology, Engineering, and Mathematics (STEM) oriented firms and university-driven research, development and commercialization focused business enterprises:
 - The Durham Innovation District has a minimum required capital investment of \$87 million; the anticipated multi-year economic incentive from the City of Durham is approximately \$5.25 million,
 - The Chesterfield building redevelopment has a minimum required capital investment of \$80 million; the anticipated multi-year economic incentive from the City of Durham is approximately \$6 million.
- Initiated facilitation of a solicitation process in collaboration with the Department of Community Development to identify development teams qualified to partner with the City on construction of a proposed mixed-use development on the approximately 2 acre City owned Jackson Street Property located adjacent to the Durham Station Transportation Center.
- Initiated evaluation of an economic development incentive agreement with the purchasers of the roughly four (4) acre former downtown Hendrick Auto Mall located at 411 South Roxboro Street, for construction of a proposed mixed-use development anticipated to total greater than 475,000 square feet.
- Completed year-one of a \$399,999 three year US Environmental Protection Agency Grant enabling completion of more than a dozen Phase I Environmental Assessments ,and, one or more Phase II environmental assessments at potential brownfield redevelopment sites throughout the City.

Neighborhood Development

- Completed implementation of a \$100,000 economic development incentive agreement with Re-investment Partners for a total combined project value of \$545,000. The project successfully renovated an underutilized 4,500 square foot commercial building located at 902 North Mangum Street. The completed project houses a food hub with an urban agriculture component, supporting neighborhood-level economic development, in addition to adding a much needed retail grocery alternative.
- Initiated evaluation of an economic development incentive agreement with Migrate Property2, LLC for a \$320,000 building renovation project at 2201 Angier Avenue. The project is located in a targeted commercial corridor in Northeast Central Durham. Upon completion, the project will contribute to the economic development along the Angier/Driver Commercial Corridor and represent the adaptive reuse of a previously underutilized commercial property.
- Initiated evaluation of an economic development incentive agreement with Self Help for an \$8.5 million economic development project, to renovate two underutilized commercial properties totaling of 40,000 square feet, located at 2101 and 2116 Angier Avenue. The project is located in a targeted commercial corridor in Northeast Central Durham. Upon completion, the project will provide affordable office and retail space, provide employment opportunities for neighborhood residents and additional parking for businesses and patrons of the Angier/Driver Commercial Corridor.
- Facilitated the completion of a marketing video to promote business recruitment and retention. This will also address the Business Recruitment and Retention objectives outlined in the Joint Economic Development Strategic Plan.

Business Development

- Initiated and facilitated a successful lunch and learn educational series in conjunction with City's Small Business Advisory Committee to provide capacity building opportunities to more than 87 small business or entrepreneurial registrants citywide.

Workforce Development

- Implemented strategies outlined in the Durham Workforce Development Board (DWDB) Strategic Plan including the implementation of a new Adult Provider Collaborative, strengthening the participation of DWDB members through expanded subcommittee work, and branding of the NCWorks Career Centers. In the latter instance, the NCWorks Subcommittee prioritized branding activities using the Lean Six Sigma approach.

Their three areas of focus are the following: 1) publicizing events; 2) training of staff; and 3) marketing services to employers and job seekers.

- Implemented the directives of the Interlocal Agreement between the City of Durham and Durham County and Workforce Innovation and Opportunity Act (WIOA) requirements including WIOA's requirement to reduce the size of and to restructure the DWDB membership, recruiting new members, and revising the Bylaws.
- Instituted a new DWDB Youth Interaction Safety Policy and Procedures and revised the Priority of Service and other policies as required by the Department of Commerce.
- Developed a system to capture division-wide performance measures and to link those measures with performance appraisals. The system delineates the following: 1) the Measure; 2) the applicable Goal or Target; 3) the Responsible Program Measure; 4) the Frequency, 5) whether or not the Measure is Required by Law, Grant Agreement or Contract; 6) whether or not the Measure is Leading or Lagging; 7) the Source, and 8) the Areas of Impact.
- Worked with the Budget Analyst to upload all of the measures onto the Budget Collaboration Site so that Program Managers will be able to report performance.
- Awarded a \$30,000 Department of Labor, Sector Partnership – National Emergency Grant to develop an NCWorks Certified Career Pathway in Health and Life Science. This initial award is a planning grant. Once Durham has received two NCWorks Certified Career Pathways, we will be eligible for an implementation grant of \$150,000 a year for up to two years to connect dislocated workers to certified pathways.
- Held regional career pathway meetings for four targeted pathways – Health/Life Science, IT, Advanced Manufacturing, and Skilled Trades. These meetings focused on hearing from businesses about their employee needs.
- Awarded a Square 1 Bank Grant of \$10,000 that will be used for youth interns.
- Employed 481 youth through the Durham Youth Internship Program (DYIP), in partnership with Parks and Recreation, Durham Public Schools, Durham Tech, Made in Durham and the Durham Bulls, throughout the summer of 2015. Employers included Biogen, NCCU, Duke Health System, City of Durham, Durham County, American Tobacco District, and many others.
- Expanded DYIP business recruitment to increase opportunities with existing partners and developed new partners in STEM fields. This included Biogen, Novella, Notables, Organic Transit, and expanded opportunities at Duke Health, NCCU, and American Tobacco.
- Solicited Requests for Proposals for the Adult and Dislocated Worker Service Operator, the Youth Framework Services Provider, and the Youth Program Elements Provider. In accordance with WIOA law, the Adult and Dislocated Worker RFP seeks a Career Center Operator/Manager to manage the NCWorks Career Centers, be directly accountable for the WIOA and Justice Involved program performance, and ensure a seamless integration for customers of all of the programs. This will also enable the realignment of a staff person to be deployed to key activities.
- Initiated the YouthWork Gold Challenge for DWDB members to develop real-world work opportunities for youth between the ages of 14 and 24. The **Gold Star Challenge** involves DWDB members ensuring that valuable opportunities are available for Durham businesses and youth. This includes hosting an intern and/or recruiting other organizations to serve as intern hosts.
- Partnered with Durham Public Schools, Career and Technical Education program to develop 45 youth internships for low-income students in Career and Technical Education (CTE) courses. The Business Engagement Team collaborated to recruit internships that match the interests of CTE students. This included many new positions within Durham Public Schools such as the Hub Farm, IT, and Maintenance.
- Led the Business Engagement Team to develop more work-based learning opportunities for youth. This team includes members from OEWD, Durham Public Schools-CTE, Durham County, the YES Program, and Made in Durham. This team is working strategically to develop business partnerships that serve all Durham youth with a special emphasis on low-income and disconnected youth.
- Piloted the development of Learning Plans with the Summer Internship Program. All interns were taught how to create a Learning Plan and were encouraged to present their learning goals to their supervisors.
- Held a successful 2015 Durham YouthWork Summit. Seventy-five Durham youth and 15 parents participated. This was the result of a partnership between the Durham Workforce Development Board's Youth Council, OEWD, the BECOMING Project, the Durham County Library, the Department of Parks and Recreation, Durham Public Schools, Made in Durham, Durham Technical Community College, and the YES program.
- Worked with youth organizations to start a Career Skills Passport Program. This program encourages youth to attend career and job skills classes and workshops offered by organizations throughout the county. These workshops count as Passport stops for the DYIP. Students with passport stamps receive priority interviewing in DYIP.

- Provided services for 127 WIA youth for the first six months of FY16 through the Durham Youth Employed and Succeeding (YES) program. Youth participants in the program met state goals for numeracy and literacy measures. An additional 39 youth were placed in paid internships.
- Implemented a \$35,240 project that was funded by the Urban Research CDE, LLC/Longfellow funds as a part of the DYIP. Beginning in January 2015, and for the next 2 1/2 years, the DYIP Longfellow Grant is providing books and supplies for 25 juniors and seniors participating in the Science, Technology, Engineering, Arts, and Mathematics (STEAM) courses in the Career and College Promise Programs at Hillside New Tech and Southern high schools. Career and College Promise is a DPS and DTCC strategy that pays the tuition of the students while they are still in high school and puts them on the path to pursue an associate's degree or to participate in a university transfer program. The coursework is being coupled with internships that will enhance the chances for educational success and employability.
- Disseminated a monthly **Communique** newsletter that provides information to jobseekers, community partners, and businesses. Also a newsletter and enewsletter, **Workforce Development Perspectives** was disseminated.
- Finished the third EPA job training grant program. The grant provided environmental technology training for 78 individuals and resulted in a 65% placement of program graduates in environmental technology jobs and other related fields.
- Initiated the fourth EPA job training grant program (\$200,000 for 2015-17) began training for an additional 80 residents in environmental technology and other related fields.
- Awarded three Durham-based small businesses grants to train existing employees through The State of North Carolina NCWorks Incumbent Worker Training Grant program. The total project value for the three combined grants was \$31,918 to train a total of 34 individuals in IT and food safety related trainings.
- Opened an NCWorks Career Center Satellite Office at Holton Career and Resource Center, as approved by the NCWorks Career Center Subcommittee, in support of the Mayor's Poverty Reduction Initiative.
- Located the JobLink Mobile Unit from the NC Department of Commerce in the 10.01 Census Tract and served 68 residents in support of the Mayor's Poverty Reduction Initiative.
- Enhanced staff workforce knowledge via continued workshops/trainings especially in the area of the Workforce Innovation and Opportunity Act, which took effect July 1, 2015.
- Implemented quarterly NCWorks navigational training for Durham residents.
- Leveraged resources for staffing, program implementation, and career center enhancement. For example, the career resource center has been staffed, at no charge, by The National Caucus & Center on Black Aging, Inc. (NCBA). Additionally, the Department of Vocational Rehabilitation provided staff to support Integrated Service Delivery and reimbursed OEWD for their salaries, which resulted in enhanced customer service.
- Provided dislocated workers on-the-job training (OJT) and/or classroom training opportunities in high-growth industries through the NCWorks partnership, which in this case included OEWD and Durham Technical Community College. These services have been provided under the Job Driven Initiative, which is funded by the Department of Commerce. Since grant implementation, a total of 24 dislocated workers were placed in an OJT opportunity, and 36 have participated in classroom training.
- Revised several financial procedures that streamlined accounting processes.
- Provided comprehensive employment case management and counseling to 87 justice involved individuals for the first six months of FY16 placing 60% of participants in employment or training. Twenty-seven formerly justice involved individuals attended the Workforce Development Network for Justice Involved Individuals event on September 9 at the Holton Career and Resource Center; 10 were placed in employment.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Advance in real estate development stages:
 - Complete and begin implementation of an economic development project with the purchasers of the roughly 4 acre former downtown Hendrick Auto Mall located at 411 South Roxboro Street, for construction of a proposed mixed-use development anticipated to total greater than 475,000 square feet.
 - Complete facilitation of a solicitation process in collaboration with the Department of Community Development to identify development teams qualified to partner with the City on construction of a proposed mixed-use development on the approximately 2 acre City owned Jackson Street Property located adjacent to the Durham Station Transportation Center.
- Complete year-two of a \$399,999 a three year US Environmental Protection Agency Grant enabling completion of Phase I Environmental Assessments and Phase II environmental assessments at potential brownfield redevelopment sites throughout the City.
- Continued implementation of an economic development incentive agreement with A&J Capital Corporation for a \$525,000 commercial renovation project at 406 S. Driver Street. The project is located in a targeted

commercial corridor in Northeast Central Durham. Upon completion, the project will provide affordable office and retail space, as well as new residential opportunities in Northeast Central Durham.

- Facilitate a solicitation process in collaboration with Durham County government to identify firms to design and implement a joint Durham economic development promotional website and a uniform branding and identity package. Consistent with the Joint Economic Development Strategic Plan, the joint website and branding materials will complement earlier completion of a joint marketing video. This combined suite of collaborative Durham promotional tools will serve to enhance business recruitment and retention, talent development, and Durham's business-friendly environment.
- Facilitate design and implementation of a small business informational center to be housed at the Historic Parrish Street Forum to serve as a physical resource hub to enhance connectivity of entrepreneurs and the small business community to available local resources and support providers.
- Design and publish targeted, industry specific, small business training manuals, focusing on the unique challenges and opportunities related to establishing restaurants, retail shops, mobile food operations, etc., in Durham.
- Initiate and facilitate installation of two public art projects at sites approved by City Council consistent with the City of Durham Public Art Policy.
- Complete implementation in collaboration with Downtown Durham, Inc. of the Main Street Lighting Project by November 2016.
- We will establish certification of two NCWorks Career Pathways through regional pathway teams.
- We will continue to develop Career Pathways in other high-demand fields.
- We will provide over 500 internships to Durham Youth in partnership with Parks and Recreation, Durham Public Schools, Durham Tech, Made in Durham, Durham Bulls, and other organizations. DYIP will directly manage over 230 internships.
- We will expand the Career Skills Passport Program, exposing more participating youth to a wide range of employability skills. We will provide passport stamp opportunities to over 300 youth.
- We will continue to seek more STEM industries for internships through the Business Engagement Team partnership. They plan to include 5 more business hosts in the STEM fields.
- We will implement internship Learning Plans for all summer DYIP interns. We will work with Durham Public Schools to assist youth with Learning Plans and connect them back to what they are learning in school.
- We will work with our youth partners to train them in the Employability Framework developed by RTI for the Department of Education. This will help provide consistent, nationally-recognized best practice employability instruction across all partners.
- We will work with Startup High to start entrepreneurship camps in the summer of 2016. These camps started in Durham and have been offered in several cities in the region. Startup High will work with the Durham Workforce Development Board and the Durham Public Schools to offer a summer camp to rising ninth graders at Hillside High School. The camp would be held at the Historic Parrish Street Forum. This would include recruiting from Neal and Lowes Grove Middle Schools. The project will serve up to 160 youth – 20 a week for 8 weeks.
- We will serve 150 youth in the Durham YES WIOA program.
- We will ensure that 75% of the WIOA youth served are out-of-school to comply with the new federal requirement.
- We will comply with the new WIOA directive that 20% of all WIOA youth funds will be used for work-based learning.
- We will continue implementation of the workforce development plans included within economic incentive agreements to encourage local hiring by incentivized firms.
- We will continue to promote and receive training grants for Durham-based businesses to train existing employees through The State of North Carolina NCWorks Incumbent Worker Training Grant program.
- We will create career pathways to assist with talent development for hospitality and construction-trades industry sectors.
- We will onboard a new Adult WIOA service provider contract to include center operations.
- We will continue to implement and sustain comprehensive workforce development initiatives that create conditions for success between jobseekers, educators, and employers.
- We will strengthen and simplify service delivery that engages all of the workforce community.
- We will continue to implement the JDNEG resulting in career pathways in high-demand fields.
- We will continue to have successful graduates of the EPA job training program to include job placement.
- We will successfully implement all new WIOA/One-Stop regulations.

- We will enhance our support of the Poverty Reduction Initiative in assisting residents with job placement and the implementation of other Jobs Taskforce strategies by holding recruitment events in the PRI.
- We will exceed all 2016 performance goals in the WIOA program.
- We will continue to implement the JDNEG, in partnership with DTCC, resulting in career pathways in high-demand fields. We will train 29 more dislocated worker students in the classroom, and we will provide 11 additional OJTs.
- We will meet the 70% expenditure requirement for PY16 WIOA Formula funds in addition to expending all PY15 funds.
- We will maintain consistent reporting on all grant and general funds to ensure a financially sound budget.

CONTRACT AGENCIES – ARTS & CULTURE

The Arts & Culture Program provides for the support and operation of arts facilities and programs for Durham citizens. This program includes the daily operation and management of the Durham Arts Council building, the Carolina Theatre, and the Hayti Heritage Center. Support is also provided for major arts and cultural institutions and non-profit arts organizations that provide services and arts experiences that contribute significantly to the quality of life.

PROGRAM DESCRIPTION

Arts & Culture Facilities

\$1,798,835

The Carolina Theatre of Durham, Inc. operates, manages and programs the Carolina Theatre for the City of Durham. The Durham Arts Council, Inc. operates, manages and programs the Durham Arts Council building for the City of Durham. In addition, the Arts Council provides arts-based educational opportunities to Durham citizens and provides support services to artists and arts organizations. St. Joseph's Historic Foundation operates, manages and programs the Hayti Heritage Center (privately owned) as a cultural institution exploring the African-American experience. Community Based programming is provided at Lyon Park, managed by the board of Calvary Ministries of the West End, Inc.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Operating	\$ 1,761,923	\$ 1,761,923	\$ 1,780,973	\$ 1,798,835	2.1%
Total Appropriations	\$ 1,761,923	\$ 1,761,923	\$ 1,780,973	\$ 1,798,835	2.1%
Revenues					
Discretionary	\$ 1,761,923	\$ 1,761,923	\$ 1,780,973	\$ 1,798,835	2.1%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,761,923	\$ 1,761,923	\$ 1,780,973	\$ 1,798,835	2.1%

Arts & Culture Facilities	Service Provided	Award
Carolina Theatre	Manages the Carolina Theatre. It is governed by a management agreement with the City.	\$654,050
Durham Arts Council	Promotes excellence in and access to the creation and experience of the arts for all citizens. Manages the City's community arts center. It is governed by a management agreement with the City.	\$667,362
Lyon Park	Community based programming is provided at Lyon Park, managed by the Board of Calvary Ministries of the West End, Inc. The City of Durham Parks and Recreation Department provides recreational opportunities under a joint use agreement with Calvary Ministries.	\$185,423
St. Joseph's Historic Foundation	Preserves and promotes the understanding of and appreciation for the African-American experience and societal contributions by providing cultural arts and education programs. It is governed by a management agreement with the City.	\$292,000
Total Arts & Culture Facilities		\$1,798,835

CONTRACT AGENCIES – COMMUNITY DEVELOPMENT

Annually, the City of Durham enters into contracts with non-profit agencies. These agencies are funded entirely with discretionary revenue and provide services that complement the efforts of City departments. Agencies that are funded provide services that directly tie to Council goals and priorities.

PROGRAM DESCRIPTION

Community Development Organizations

\$138,483

These organizations provide services that focus on improving the quality of life through a myriad of different services that are provided citywide.

RESOURCE ALLOCATION

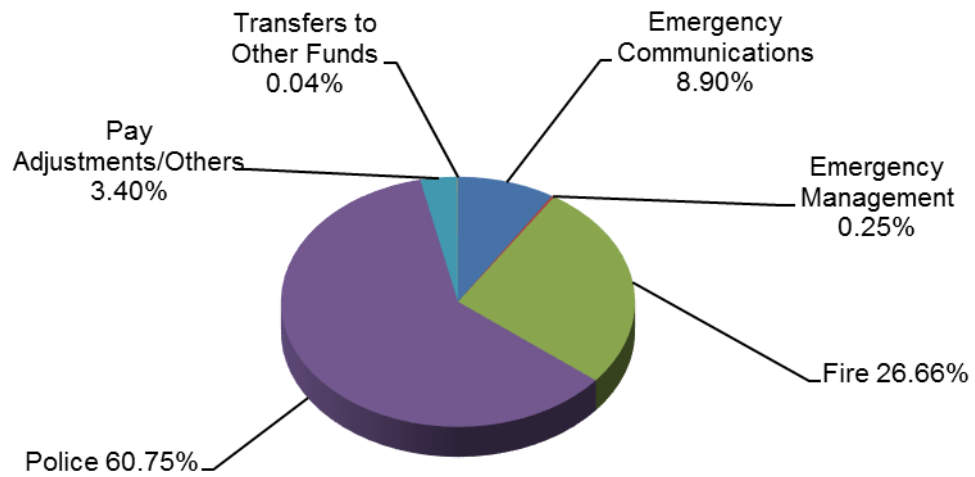
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Operating	\$ 45,440	\$ 95,000	\$ 116,500	\$ 138,483	45.8%
Total Appropriations	\$ 45,440	\$ 95,000	\$ 116,500	\$ 138,483	45.8%
Revenues					
Discretionary	\$ 45,440	\$ 95,000	\$ 116,500	\$ 138,483	45.8%
Program	-	-	-	-	0.0%
Total Revenues	\$ 45,440	\$ 95,000	\$ 116,500	\$ 138,483	45.8%

Community Development	Service Provided	Award
Durham Media Center	Promotes use of designated access channels by coordinating the use of public access channels, providing production facilities, providing technical assistance and media training.	\$30,000
Museum of Durham History	Provides educational and cultural services benefiting the Durham community by managing a "History Hub" located in downtown durham capturing Durham's compelling history.	\$10,000
Sports Commission	Fosters economic development through coordinating and developing Durham's role as a leading site for sports events involving youth, collegiate, amateur and professional organizations.	\$98,483
Total Community Development		\$138,483

**PUBLIC SAFETY
BUDGET SUMMARY**

	Actual	Adopted	Estimated	Proposed	
<i>Non-Grant</i>	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
Appropriations					
Emergency Communications	\$ 6,723,332	\$ 8,189,871	\$ 8,377,945	\$ 8,468,628	3.4%
Emergency Management	202,589	208,690	208,690	237,538	13.8%
Fire	24,077,302	25,140,344	25,472,858	25,347,334	0.8%
Police	53,074,668	54,581,852	55,584,380	57,757,908	5.8%
Contract Agencies	12,057	-	-	-	0.0%
Pay Adjustments/Others	-	330,000	330,000	3,229,874	878.7%
Transfers to Other Funds	41,465	40,638	33,990	39,251	-3.4%
Total Appropriations	\$ 84,131,413	\$ 88,491,395	\$ 90,007,863	\$ 95,080,533	7.4%
Full Time Equivalents	998	1041	1041	1060	19.0
Part Time	-	-	-	-	-
Revenues					
General Fund					
Discretionary	\$ 79,797,140	\$ 83,665,635	\$ 84,893,360	\$ 90,314,036	7.9%
Program	2,360,447	2,653,864	2,653,662	2,695,318	1.6%
General Fund Subtotal	\$ 82,157,587	\$ 86,319,499	\$ 87,547,022	\$ 93,009,354	7.8%
911 Wireline Surcharge Fund	1,973,826	2,171,896	2,460,841	2,071,179	-4.6%
Total Revenues	\$ 84,131,413	\$ 88,491,395	\$ 90,007,863	\$ 95,080,533	7.4%
Grants					
Public Safety	\$ 1,036,173	\$ 1,532,638	\$ 806,208	\$ 1,738,408	13.4%
Total Grants	\$ 1,036,173	\$ 1,532,638	\$ 806,208	\$ 1,738,408	13.4%
Full Time Equivalents	15	-	-	-	-
Part Time	-	-	-	-	-
Total Budget	\$ 85,167,586	\$ 90,024,033	\$ 90,814,071	\$ 96,818,941	7.5%

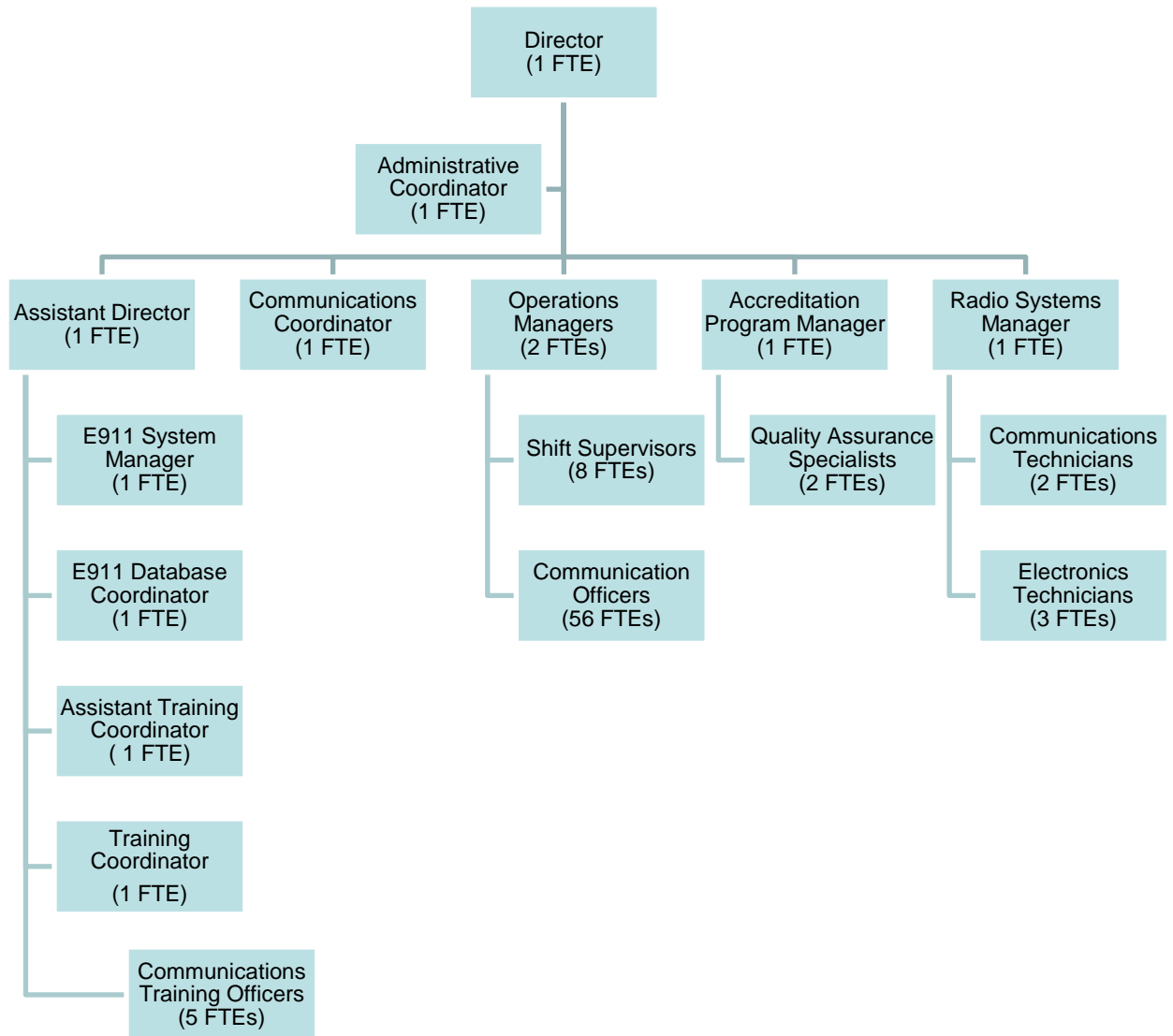
PUBLIC SAFETY





Emergency Communications

(88 FTEs)



EMERGENCY COMMUNICATIONS

Purpose Statement:

To affirmatively promote, preserve and protect the safety and security of all citizens of the community. It is our commitment to provide citizens with the fastest and most efficient response to emergency calls possible while ensuring the safety of Police, Fire and Emergency Medical Services (EMS) personnel. It is our goal to contribute to the quality of life of our community by giving efficient, reliable, courteous, responsive and professional 911 communications services. We will constantly seek ways to improve the quality of assistance we provide to the community by acknowledging that service is our one and only product and our goal is to provide it at the most superior level possible thereby saving lives, protecting property and helping to stop crimes, thus making Durham a safer community to live, work and visit.

DEPARTMENT DESCRIPTION

Emergency Communications

\$8,468,628
88 FTEs

Emergency Response

This program operates under an interlocal agreement between the City and County governments for receipt of public safety calls including law enforcement, EMS and fire service dispatch. The program focuses on answering calls for the City of Durham, Durham County residents and visitors.

Emergency Telephone System

The focal point of this program is to ensure calls for emergency service are answered and dispatched to the appropriate public protection unit for disposition. The program provides service to all individuals dialing 911 and the following departments: Police, Fire, EMS, Durham County Emergency Management, and Volunteer Fire Departments. The Durham County Sheriff's Department provides its own answering and dispatching service. The 911 Surcharge funds one Emergency Communications position (911 Database Coordinator) plus two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services Coordinator and a GIS Coordinator.

Communications Maintenance

The division maintains and manages the operation of the 800 MHz radio system which includes four tower sites, an integrated microwave system, alarm and computer monitoring systems, backup power supplies and generators, the radio dispatch system in the 911 Emergency Communications Center, a backup 911 Center, the Durham Sheriff's Office 911 Center and North Carolina Central University's dispatch center. Communications Maintenance also installs and maintains all radio communications equipment for various departments of the city and county governments. Typical radio equipment includes portable, mobile, and base radios. In addition, this division installs and maintains the emergency lighting systems, sirens, cameras, video recorders and mobile data modems in the fleet of public safety vehicles.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 4,243,253	\$ 5,153,590	\$ 4,911,985	\$ 5,399,854	4.8%
Operating	2,480,079	3,036,281	3,465,960	3,068,774	1.1%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 6,723,332	\$ 8,189,871	\$ 8,377,945	\$ 8,468,628	3.4%
Full Time Equivalents	82	88	88	88	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,718,769	\$ 4,705,905	\$ 4,605,034	\$ 5,039,366	7.1%
Program	1,030,736	1,312,070	1,312,070	1,358,083	3.5%
Total General Fund	\$ 4,749,505	\$ 6,017,975	\$ 5,917,104	\$ 6,397,449	6.3%
Emergency Telephone Fund	1,973,826	2,171,896	2,460,841	2,071,179	-4.6%
Total Revenues	\$ 6,723,332	\$ 8,189,871	\$ 8,377,945	\$ 8,468,628	3.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Emergency Response

General Fund: \$5,132,921

FTEs: 80

Emergency Telephone System Fund \$2,071,179

FTEs: 2

Goal: Safe and Secure Community

Objective: To answer 90% of 9-1-1 Calls in 10 seconds or less.

Initiative: Maintain staffing at sufficient levels needed to ensure timely response to 911 calls.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measure:				
% of 911 calls answered in 10 seconds or less	95%	90%	94%	94%

Objective: To achieve and maintain the 911 Master Street Addressing Guide Database at 99.99%.

Initiative: Prioritize the discrepancies of database errors to expedite resolution.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measure:				
Monthly telephone access lines as a percentage of known errors	99%	99%	99%	99%

Objective: To maintain operations vacancy rate at or below 15% for employees who have passed probationary status.

Initiative: Improve the hiring and selection process along with documentation during the training process that will improve retention of quality employees.

	Actual	Adopted	Estimated	Proposed
Measure:	FY15	FY16	FY16	FY17
Operational Vacancy Rate	7%	5%	8%	5%

Objective: To ensure accuracy of Emergency Medical Dispatch pre-arrival instructions at 90%.

Initiative: Aggressively review EMS calls, documenting and correcting weak areas necessary for accreditation.

	Actual	Adopted	Estimated	Proposed
Measure:	FY15	FY16	FY16	FY17
% accuracy of EMD protocols	97%	95%	97%	95%

Objective: To dispatch all priority calls within 90 seconds or less.

Initiative: Research the splitting of dispatch channels and finding methods to remove telephone responsibilities for main dispatch stations.

	Actual	Adopted	Estimated	Proposed
Measure:	FY15	FY16	FY16	FY17
% priority calls dispatched to Fire within 90 seconds or less	83%	90%	85%	90%

Measure:				
% priority calls dispatched to Police within 90 seconds or less	83%	90%	85%	90%

Program: Communications Maintenance

General Fund: \$1,264,528
FTEs: 6

Goal: Safe and Secure Community

Objective: Provide effective maintenance services to ensure radio system availability.

Initiative: Utilize the work order management software system to ensure that maintenance standards are achieved.

	Actual	Adopted	Estimated	Proposed
Measure:	FY15	FY16	FY16	FY17
# Radios supported (Note: there are apporx. 1500 more radios with indirect support)	3000	3000	3000	3000
# Tower sites and 911 Centers	8	8	8	8
% Radio technician response time within 1 hours of notificiation	100%	100%	100%	100%

BUDGET ISSUES FOR FY 2016-17

- Finalizing budget and procurement of equipment for new building.
- Understanding how new funding model for 9-1-1 surcharge monies will affect Emergency Telephone System Fund
- Implement equipment upgrades that allow for the receipt of pictures and videos through 9-1-1.

ACCOMPLISHMENTS FOR FY2015-16

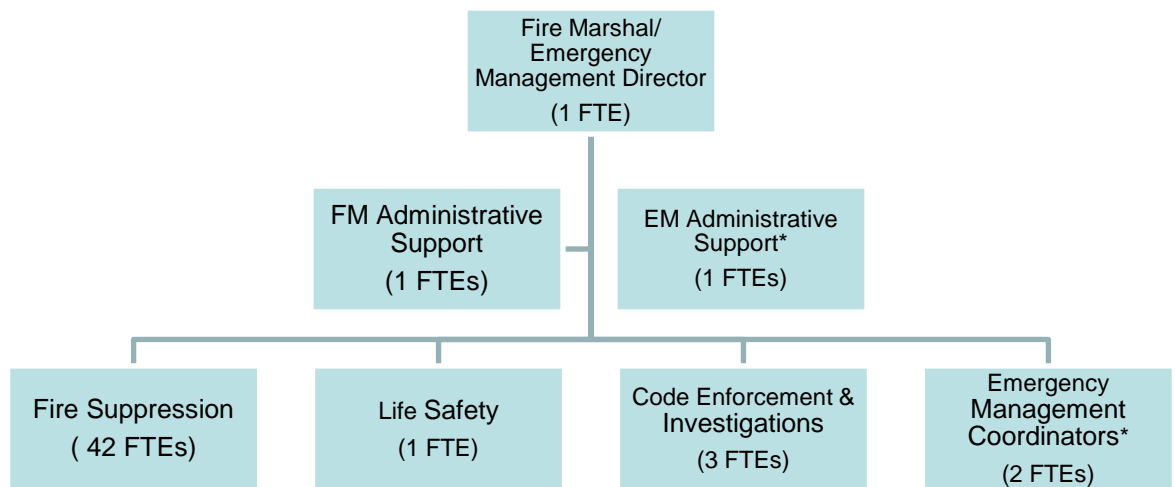
- Re-Accredited by C.A.L.E.A.
- Implemented A.S.A.P. (Automated Security Alarm Protocol)
- Re-Accredited by A.P.C.O. for P-33 Training standards.
- Implemented Master Communication Officer classification providing more upward growth within department.
- Creation of Public Safety Operations Board that replaced the 9-1-1 Advisory Board.
- Expanded use of Locution automated voice dispatch system with redundancy.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Develop protocols for implementation of new technologies that will include picture and video receipt through 9-1-1 network.
- Bring more security companies online with A.S.A.P. program.
- Implement PulsePoint automatic C.P.R. program through C.A.D. system.
- Seeking accreditation in Emergency Fire Dispatch.
- Bring online emergency telephone consoles at Durham Sheriff's Office so data can be transferred.



Durham City/County Emergency Management (51 FTEs)



Please note: This is a County department. The City pays 50% of the asterisked positions and 25% of the Fire Marshal's position.

EMERGENCY MANAGEMENT

Purpose Statement:

The Division of Emergency Management is tasked with assisting County and City departments, businesses, and citizens in the development of emergency plans. Other ongoing responsibilities include maintaining emergency shelter databases, training personnel to operate shelters, maintaining resource databases, and ensuring readiness of the Emergency Operations Center. The Division is responsible for planning for any type of emergency that could affect Durham County (multi-hazard plan), for preplanning logistics and resources needed for mitigation and recovery from an emergency.

DEPARTMENT DESCRIPTION

Emergency Response

\$237,538
0 FTEs

This program is responsible for drafting and carrying out the Durham City/County Emergency Operations Plan (EOP). The agency works closely with all government agencies to prepare, respond, recover and mitigate the effects of disasters and major emergencies. Emergency Management personnel are housed in county government. The County and City share costs in accordance with an interlocal agreement.

RESOURCE ALLOCATION

	Actual	Adopted	Estimated	Proposed	
	FY 2014-15	FY 2015-16	FY 2015-16	FY 2016-17	Change
Appropriations					
Operating	\$ 202,589	\$ 208,690	\$ 208,690	\$ 237,538	13.8%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 202,589	\$ 208,690	\$ 208,690	\$ 237,538	13.8%
Revenues					
Discretionary	\$ 202,589	\$ 208,690	\$ 208,690	\$ 237,538	13.8%
Program	-	-	-	-	0.0%
Total Revenues	\$ 202,589	\$ 208,690	\$ 208,690	\$ 237,538	13.8%

ACCOMPLISHMENTS FOR FY 2015-16

- Responded to 112 incidents involving over 644 staff hours.
- 9 partial activations (EM/FM staff only) and 2 Full-Scale activations of the City/County Emergency Operation Center for weather and other events (three (3) partial activations were for protests).
- Updated NIMSCAST per Federal Mandates.
- Completed mandated NIMS training per Federal Regulations.
- Reviewed and Updated the City/County Emergency Operations Plan.
- Updated our Statewide Mutual Aid Agreements.
- Reviewed Emergency Operation Plans from local agencies, businesses and care facilities.
- Reviewed, updated Hazard Mitigation Plan.
- Entered into 3-County Regional Hazard Mitigation Plan
- Participated in the Homeland Security Exercise and Evaluation Program.
- Participated in State Training Committee Meeting to coordinated State Training and Exercises.
- Developed, conducted and/or participated in numerous multi-agencies exercises. These exercises include tabletop, functional, and full-scale exercises (FSX). Efforts included: NCCU full-scale exercise, three FSX with Cree and local fire departments, and one FSX for the Army Research Office which included all local public safety agencies, State Public Health and the FBI. We sponsored 7 WebEOC Emergency Operation Classes (coinciding with State WebEOC exercises); and participated in, or supported, 17 Tabletop (TTX) exercises with public safety agencies, private sector stakeholders, Public Health, Durham Public Schools.

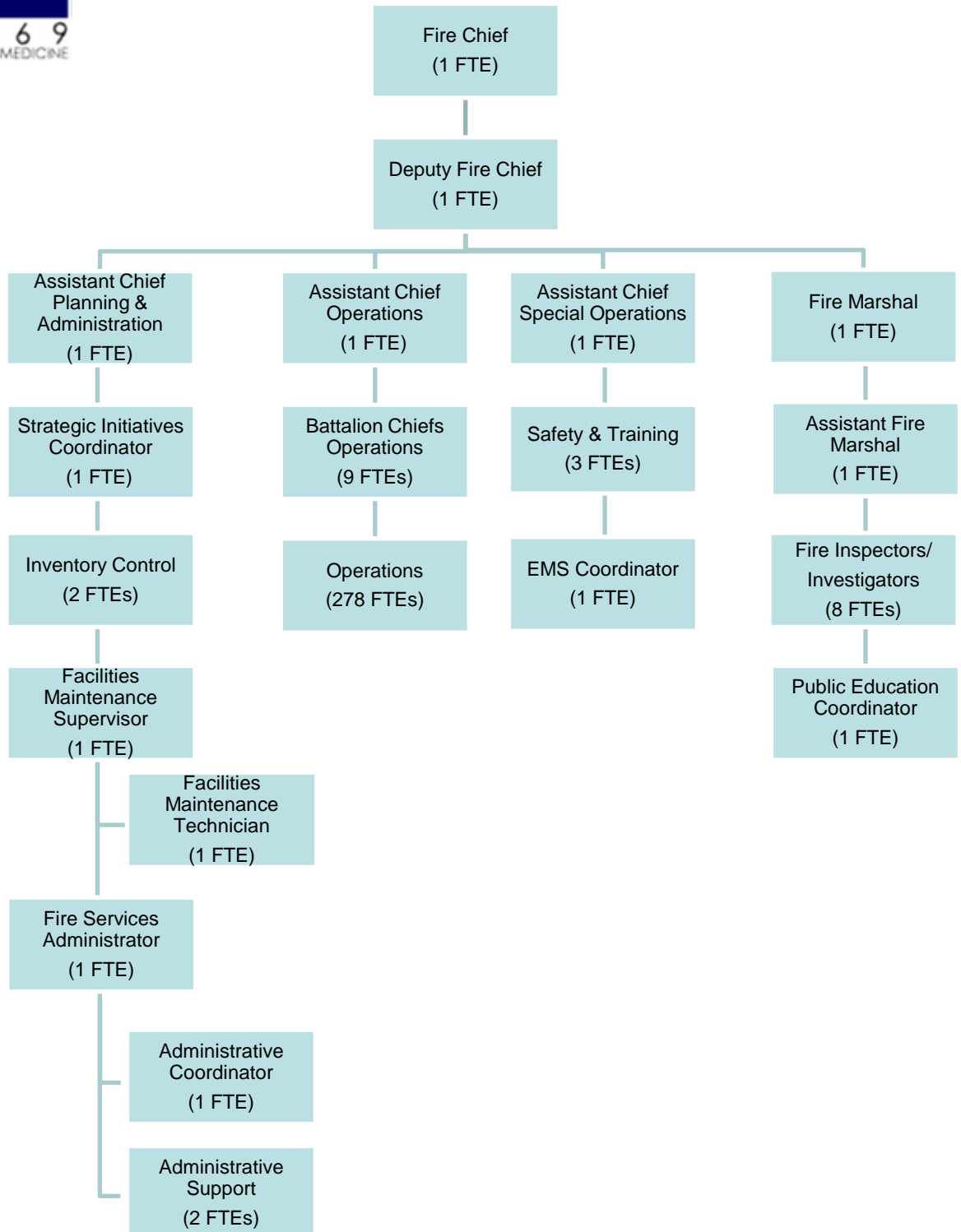
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Continue to meet the federal standards concerning NIMS compliance.
- Maintain the Emergency Operations Center (EOC) and keep it prepared for activation.
- Continue to maintain and update the EOC software (WebEOC) to be compliant with North Carolina Division of Emergency Management requirements for event management.
- Conduct at least two table top exercises and one full-scale response drill.
- Conduct the annual review and update of the City/County EOP as needed.
- Complete the requirements set forth by NCEM in the EMPG Activity/Project form.
- Maintain the Durham County Hazard Mitigation Plan.
- Conduct at least one new Community Emergency Response Team class.



Fire Department

(316 FTEs)



FIRE DEPARTMENT

Purpose Statement:

The Durham Fire Department strives to enhance the quality of life for the citizens and visitors of Durham through the delivery of comprehensive fire suppression, prevention, training and emergency medical services.

DEPARTMENT DESCRIPTION

Fire Department

\$25,347,334

316 FTEs

The department is primarily responsible for providing emergency responses to fires, medical calls, hazardous materials spills, technical rescue calls, and swift water rescue calls. Staff has an overriding responsibility to the residents of Durham to maintain a state of training and readiness that will allow a quick and competent response to life threatening events such as fires, emergency medical responses, weather related emergencies and potential acts of terrorism.

Administration

The Fire Administration division coordinates and supervises the Fire Department. This division is responsible for fiscal planning, records management, implementation and training for technology advancements, personnel management, and resource maintenance and management. This division is also responsible for recommending and implementing management policies and procedures for daily operations of the department under the direction of the Fire Chief.

Safety and Training

The Safety and Training division provides for the training, occupational safety and wellness of personnel through entry level and advanced in-service training programs, accident investigation and wellness evaluations. This division functions to provide a safe work environment, maintain current certifications of all operations personnel, and monitor physical fitness levels of operations personnel.

Operations and Emergency Responses

The Fire Operations Division responds to over 24,000 calls per year for various types of emergencies. Fire responses minimize the loss of life and destruction of property due to fires through the rapid deployment of trained personnel and appropriate equipment. Service is provided by trained fire/rescue personnel strategically placed throughout the City and through automatic aid agreements with volunteer fire departments and the Durham County Fire-Rescue Department.

The Emergency Medical Services (EMS) program provides Advanced Life Support with emergency medical first responders, at the Emergency Medical Technician (EMT) and Emergency Medical Technician-Intermediate (EMT-I) levels, in response to a variety of medical emergencies. All Fire Department apparatus are equipped with emergency medical supplies and semi-automatic defibrillators used to stabilize and/or resuscitate patients until the arrival of paramedic personnel on the scene. Early emergency medical intervention helps to protect injured or sick persons from further harm.

The Hazardous Materials (Hazmat) Team provides for the identification and control of known and unknown chemical, biological, radiological, and explosive substances released into the environment. Hazmat personnel are specially trained to mitigate chemical emergencies. This program supports the goals of safety by stopping hazardous releases at the earliest possible stage and protecting residents and the City's natural resources. The Hazardous Materials Team is staffed with technicians trained to identify, isolate and mitigate most common hazardous material spills or leaks. They have the technology to interface with state and national resources to assist in their efforts. This program is provided to minimize the harmful effects of toxic releases on both people and the environment of Durham. The program operates under the requirements as set forth in state and federal OSHA standards, particularly 29CFR1910.120.

The Technical Rescue Team provides for the rescue of persons trapped and/or injured beyond the scope of normal Fire Department operations. These specialized rescues may involve high/low angle, trench, swift water, vehicle extrication, structural collapse and confined space rescue emergencies.

Fire Prevention

The Fire Prevention Division provides comprehensive enforcement of mandated fire and life safety codes and regulations including the inspection of properties for fire code violations. Responsibilities include regulating the design and implementation of building features and fire protection systems. The purpose of this division is to prevent and/or reduce the loss of life, injury and property damage due to fire in commercial, factory, institutional, business, educational, mercantile and assembly occupancies.

The Fire Investigation Team provides fire cause and origin determination and the investigation of all fires of a suspicious nature. Clearance of arson crimes remains a high priority for the Fire Prevention Division and is in alignment with the City's efforts to investigate and solve cases involving suspicious fires. The program supports the City Council goal of a Safe & Secure Community.

The Community Fire Education program provides educational programs about the causes and prevention of fire and burn injuries. Emphasis is placed on targeting areas that are experiencing the greatest hazards from fire emergencies and those that have a history of emergency medical calls for service. The program encourages a strong link between the Fire Department and the community by instituting outreach programs such as the "Risk Watch" and "Learn Not to Burn" programs, smoke detector campaigns, fire extinguisher training, fire safety training, blood pressure checks and programs for seniors involving health and fire safety.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 22,475,900	\$ 23,333,144	\$ 23,406,381	\$ 23,496,902	0.7%
Operating	1,601,402	1,807,200	2,066,477	1,850,432	2.4%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 24,077,302	\$ 25,140,344	\$ 25,472,858	\$ 25,347,334	0.8%
Full Time Equivalents	301	316	316	316	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 22,841,538	\$ 23,892,173	\$ 24,225,420	\$ 24,099,896	0.9%
Program	1,235,764	1,248,171	1,247,438	1,247,438	-0.1%
Total Revenues	\$ 24,077,302	\$ 25,140,344	\$ 25,472,858	\$ 25,347,334	0.8%
<i>Grant</i>					
Personal Services	\$ 211,502	\$ -	\$ -	\$ -	-100.0%
Operating	-	-	-	-	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 211,502	\$ -	\$ -	\$ -	-100.0%
Full Time Equivalents	15	-	-	-	-
Part Time	-	-	-	-	-
Revenues					
Grants	\$ 211,502	\$ -	\$ -	\$ -	-100.0%
Total Grant Revenue	\$ 211,502	\$ -	\$ -	\$ -	-100.0%
Total Budget	\$ 24,288,804	\$ 25,140,344	\$ 25,472,858	\$ 25,347,334	0.8%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Operations and Emergency Response **\$22,253,965**
287 FTEs

Goal: Safe and Secure Community

Objective: Meet response standardsⁱ to maximize citizen and firefighter safety.

Initiative: Evaluate the location/district boundaries for existing apparatus, streamline the hiring process, and **Implement identified changes to maximize capability.**

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Responses for EMS (turnout+travel time) ≤ 5 minutes, 30 seconds	66%	90%	66%	90%
% Responses for Structure Fires (1 st due company) ≤ 5 minutes, 30 seconds	79	90%	79%	90%
% Responses for 1 st alarm assignment ≤ 11 minutes	73%	90%	75%	90%
# Days below Minimum effective staffing	2	0	8	0
% Vacancy rate for the Operations Division	1%	≤3%	1%	≤3%

Program: Fire Prevention **\$941,367**
10 FTEs

Goal: Safe and Secure Community

Objective: Ensure all inspected businesses are in compliance with the International Fire Code.

Initiative: All inspectors obtain Level III certificationⁱⁱ (to facilitate efficient workload distribution). Maximize efficiency and accountability through the use of workflow technology (avoid missed inspections and fee collection).

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of fire inspectors meeting inspection goals	51%	100%	73%	100%
% of occupancies inspected in accordance with the NC Fire Code	47%	100%	35%	100%

Program: Administration **\$1,595,485**
15 FTEs

Goal: Innovative & High Performing

Objective: Engage in Continuous Process Improvement

Initiative: Increase the use of collected data. Evaluate existing technologies. Implement technologies to streamline/enhance interoperability. Ensure implementation of all strategic and specific recommendations provided by the Peer Assessment team during the accreditation process.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Annual approval of the <u>ACR for CFAI</u> ⁱⁱⁱ	100%	100%	100%	100%

Goal: Stewardship of City's Physical Assets

Objective: Develop a depreciation and replacement schedule for equipment

Initiative: By Division Head, develop equipment inventory matrix (will include value, replacement date, and projected replacement cost). Develop resource management plan which incorporates inventory across divisions.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of Identified equipment within expected functional lifespan	85%	90%	85%	90%
% of Vehicles serviced by fleet within the required timeframe	100%	100%	100%	100%
Goal:	Stewardship of City's Physical Assets			
Objective:	Develop an operations, maintenance, and replacement plan for 'structures'.			
Initiative:	Align departmental efforts with those of the Goal 5 working groups and the General Services department to develop an asset management plan. Standardize criteria for prioritizing facilities for repair, renovation, and replacement.			
Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Identified structures within expected functional lifespan	75%	76%	76%	76%
Program:	Safety and Training			\$556,517 4 FTEs
Objective:	Ensure appropriate training for staff to further the department's mission			
Initiative:	Develop a standardized continuing education training program (operations division). Modify the <u>performance management system</u> ^v such that it is comprehensive and promotes accountability (all divisions) Identify and promote external career development programs (all divisions). ^{vi}			
Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Chief Officers engaged in professional development programs (16 chief officers in department)	50%	50%	50%	50%
% of firefighters receiving monthly hands on training from the training staff	85%	95%	90%	95%
% of new firefighters that are meeting expectations after 6 months in the operations division.	100%	100%	100%	100%

ⁱ 2015 Response time standards: Total response time for arrival of all units: 11 minutes in metropolitan areas / 13 minutes in suburban areas.

ⁱⁱ Level III certification is the highest level inspection certification available in North Carolina. The State mandates this certification level for the inspection of some businesses/industries located in Durham.

ⁱⁱⁱ The Durham Fire Department is accredited by the Commission for Fire Accreditation International (CFAI). Annually, an Agency Comprehensive Report, ACR, must be provided to CFAI to be reviewed so that the agency's performance can be validated.

^{iv} Qced - Submitted for a Quality Control or Quality Assurance review. QC or QA are used interchangeably within the department to refer to a third party review of the quality of the service provided as well as the quality of the documentation of that service.

^v The Performance Management System refers to the system implemented by the Human Resources Department to facilitate the appropriate evaluation of employee work performance. The system is intended to provide for affirmation of positive performance, identification or performance deficits, and career planning.

^{vi} External career development opportunities range from programs included in the city's Blueprint for Leadership Pipeline through advanced degree pursuits to specialty officer designations. Examples include, but are not limited to, FEMA sponsored development programs, CPSE sponsored professional credentialing, and U.S. Fire Administration sponsored development programs.

^{vii} As a component of the initiative 'Standardize criteria for prioritizing facilities for repair, renovation, and replacement' the term 'acceptable standards' will be clearly defined. An effective summary of those defined standards will then be added to this document.

BUDGET ISSUES FOR FY 2016-17

- The fire department maintains 20 buildings of which 18 have significant deferred maintenance needs. Immediate funding needs exist due to the continued deferment of maintenance, the risk of higher future repair costs, and the risk of sudden failure. The department will continue to prioritize our deferred maintenance needs in order to address the most critical issues first.
- The fire department continues to proactively plan to provide quality service to a revitalized Durham. Particular attention will focus on planning for adequate protection in the City's downtown core.

ACCOMPLISHMENTS FOR FY 2015-16

- Upgraded the Thermal Imaging Cameras on every fire unit in the department's fleet. These thermal imagers will dramatically reduce the risk of on the job injuries to firefighters; will improve firefighters' efforts to search for and rescue victims; and will allow firefighters to more quickly determine the location of a fire and extinguish it.
- Implemented the Telestaff timekeeping software in a joint effort between Fire and Parks & Recreation to solve imminent system failure that will require the immediate implementation of another software solution for timekeeping functions or the hiring of multiple additional timekeepers. The software also provides the department with advanced scheduling and analytics capability. The 20 hours per week of duplicated timekeeping effort will be reallocated to other functions which will allow executive level staff to decrease the amount of administrative task functions they are handling and focus on strategic planning and decision-making efforts.
- Continued the replacement of vehicle extrication equipment in the fire department inventory, which has reached the end of its useful life, with new equipment capable of dealing with reinforced high strength steel in many of the newer car models.
- Continued advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Continued EMS continuing education classes with Davidson Community College.
- Continued to check the operational readiness and appearance of all hydrants.
- Pursued compliance with NFPA 1710 guidelines (minimum staffing requirements).
- Continued to participate in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Continued attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Conducted courtesy home inspections at no cost to citizens.
- Distributed smoke and carbon monoxide detectors to City of Durham residents at no cost.
- Completed the requirements for re-accreditation through the Center for Public Safety Excellence
- Continued the development of a preventive maintenance program to include scheduled maintenance, financial planning, and fixed item replacement using the Facility Dude software solution.
- Continued the development of an annually updated Multi-Assessment Tactical Response Information eXchange (MATRIX) to guide resource development and deployment.
- Implemented Standard Operating Guidelines (SOGs) for Fire, Emergency Medical, and Technical Rescue incident types.
- Reviewed and updated all Fire Department Policies, Procedures and Guidelines.
- Continued to work on establishing a reliable database of businesses subject to an inspection per NC Fire Code.
- Formalized the effort to increase the representation of uniformed women and minorities in the Durham Fire Department with a focus to reflect the community served.

- Implemented a distance learning solution for the fire department and installed infrastructure to make the fire training and administration building a wireless campus.
- Developed an active shooter emergency response plan, following the guidance and recommendations of the United States Fire Administration and the Federal Emergency Management Agency. This program will be developed through a collaborative effort between the Durham Police Department and the Durham Fire Department. Tested this plan by participating in Active Assailant training at NCCU.
- Continued to work with General Services on resolving the issues surrounding the construction of new Fire Station 9, at the intersection of Camden Avenue and Midland Terrace.
- Completed the design and development process for Fire Station 17 in anticipation of the initiation of construction in FY16-17. Construction firm was selected for a Design-Build process.
- Initiated the acquisition of land for future Fire Station 18 in the area of Herndon Rd and Stinhurst Dr. Suitable land was located and negotiations took place with the developers.
- Published the first Durham Fire Department annual report.
- Assumed full administrative control of the Durham Technical Community College Fire Academy.
- Two Assistant Fire Marshals received their NC Certified Fire Investigator certifications this fiscal year.
- Two Assistant Fire Marshals are anticipated to receive their NC Certified Fire Investigator certifications next fiscal year.
- Deputy Fire Marshal received his NC Certified Fire Investigator certifications this fiscal year.
- Two Assistant Fire Marshal received his NC Level III Fire Inspector certification this fiscal year.
- One Assistant Fire Marshal received his NC Level II Fire Inspector certification this fiscal year.
- Conducted 9 different certification classes certifying 128 employees.
- Held the first Ladder Relief Driver Class certifying 10 employees.
- Implemented Target Solutions training platform for online distance training.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

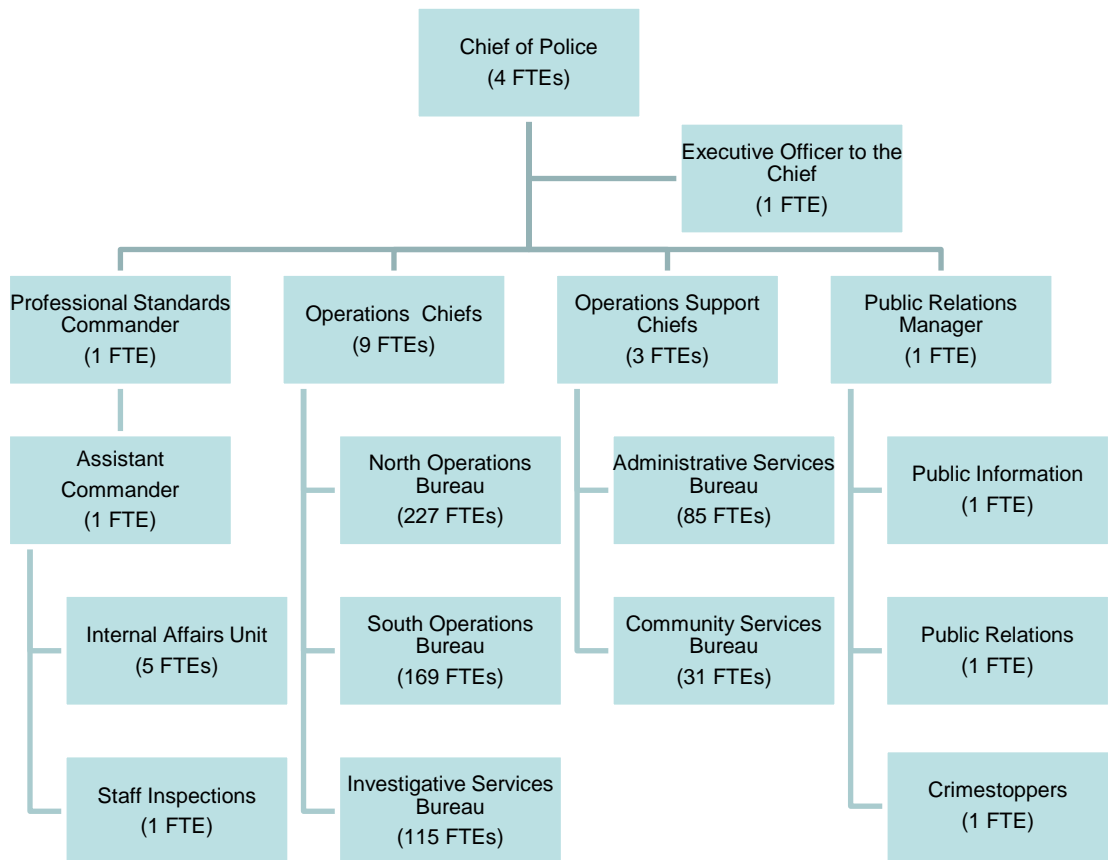
- Complete the requirements for re-accreditation through the Center for Public Safety Excellence
- Develop a uniform expenditure tracking program for better cost accounting by managers.
- Develop and implement a preventive maintenance program to include scheduled maintenance, financial planning, and fixed item replacement.
- Develop and implement an annually updated Multi-Assessment Tactical Response Information exchange (MATRIX) to guide resource development and deployment.
- Implement Standard Operating Guidelines (SOGs) for Fire, Emergency Medical, and Technical Rescue incident types.
- Establish a reliable database of businesses subject to an inspection per NC Fire Code.
- Fully implement the Telestaff timekeeping solution.
- Implementation of Active Shooter Response
- Increase the representation of uniformed women and minorities in the Durham Fire Department with a focus to reflect the community served.
- Implement a distance learning solution for the fire department and install infrastructure to make the fire training and administration building a wireless campus.
- Develop an active shooter emergency response plan, following the guidance and recommendations of the United States Fire Administration and the Federal Emergency Management Agency. This program will be developed through a collaborative effort between the Durham Police Department and the Durham Fire Department.
- Add resources or re-distribute existing resources to address identified jurisdictional needs.
- Completion of the construction of new Fire Station 9
- Complete the design and development process for Fire Station 17 in anticipation of construction in FY16-17
- Initiate the acquisition of land for future Fire Station 18 in the area of Herndon Rd and Stinhurst Dr.
- Continue advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Continue the replacement of vehicle extrication equipment in the fire department inventory, which has reached the end of its useful life, with new equipment capable of dealing with reinforced high strength steel in many of the newer car models.
- Continue EMS continuing education classes with Davidson Community College.
- Continue to check the operational readiness and appearance of all hydrants.

- Pursue compliance with NFPA 1710 guidelines.
- Continue to participate in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Continue attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Conduct courtesy home inspections at no cost to citizens.
- Distributed smoke and carbon monoxide detectors to City of Durham residents at no cost.



Police Department

(656 FTEs)



POLICE DEPARTMENT

Mission:

To minimize crime, promote safety, and enhance the quality of life in partnership with our community.

DEPARTMENT DESCRIPTION

Police Department

General Fund: \$57,797,159
656 FTEs
Grant Funds: \$1,738,408
0 FTEs

The department is primarily responsible for protecting and safeguarding the lives and property of Durham residents through enforcement of criminal laws and safety education. Core functions are carried out through five operational bureaus: Uniform Patrol, Investigative Services, Administrative Services, Community Services and Office of the Chief. In addition, the department works collaboratively with City, County and State departments, area public safety agencies and community organizations to maximize resources and security and to heighten citizen engagement in safety and crime-related issues.

Uniform Patrol Bureau:

This program includes the traditional uniformed patrol officers, the District Investigators, Bicycle Squad, Canine (K-9) Unit, Traffic Services Unit (TACT), Warrant Squad, Motorcycle Unit, Secondary Employment, Court Liaison, Desk/Towing Unit, the Reserves, and the High Enforcement Abatement Team (HEAT). The divisions and units within this program provide specific law enforcement services to the public, which include patrol responses to 911 requests for assistance, investigation and clearance of property crimes and crimes against persons, tracking of suspects, searching for lost children and the elderly, youth crime, and locating illegal drugs. Units provide speed and DWI enforcement, funeral escorts, and response to traffic accidents. They manage secondary employment functions for officers working off-duty, set schedules for officers that interact with the court system, provide information to citizens entering Headquarters, regulate wrecker companies, account for towed vehicles, provide bike patrols within the Downtown Loop, assign Reserve Officers for specific law enforcement services in the City and provide decentralized problem solving teams in each of the districts.

Community Services Bureau:

This program includes the G.R.E.A.T. Unit, Project Safe Neighborhoods (PSN), Community Resources Unit, CIT/MHOP, and Victim Services. These units assist elementary and middle school students resist pressure to use drugs, ensure that school children cross the roadway safely at marked areas with school crossing guards, work with a youth group known as the Police Explorers, provide efforts to reduce the number of firearms on the street, provide positive alternatives for at risk youth, provide crime prevention and community liaison services to the community, maintain the Mobile Substations, provide an honor guard for ceremonial events, help those with mental health issues to receive the appropriate services, and provide victim services.

Investigative Services Bureau:

This program consists of the Special Operations Division (SOD), the Criminal Investigations Division (CID), and the Forensic Services Division (FSD). SOD consists of the Selective Enforcement Team (SET), the Organized Crime Unit, the Major Crimes Unit, an Interdiction Unit, a Biological/Chemical Emergency Response Team (BCERT) and the Violent Incidents Response Team (V.I.R.T.). CID consists of the Fraud Unit, Homicide Unit, Special Victims Unit, and a Domestic Violence Unit. FSD consists of a Crime Scene Unit, a Crime Lab Unit, and a Property/Evidence Unit; the Crime Lab Unit has a Digital Forensic section, a Firearms and Tool Marks section, and a Latent Print Comparison section. These sections provide specific investigative services for crimes such as homicides, assaults, fraud, prostitution, and gambling activities, respond to chemical and biological emergencies, perform drug raids and respond to hostage situations, maintain custody of all property and court evidence, process crime scenes, respond to and investigate domestic violence cases, and provide collective intelligence on gang membership and activity. They also employ strategies to reduce violence by partnering with federal agencies such as the Federal Bureau of Investigation, Drug Enforcement Administration, Alcohol Tobacco and Firearms, Immigration Customs Enforcement, and US Marshals Service.

Administrative Services Bureau:

This program includes Training and Recruiting, Fiscal Services, Planning, Special Projects, Inventory Control, Emergency Information Services, Crime Analysis/Intel Unit, Records Management, the Telephone Response Unit, and Personnel Services.

The Training Unit provides in-service and new recruit training. The Fiscal Services Unit provides fiscal management and grants administration. The Planning and Special Projects Units provide long term planning for growth requirements. Inventory Control provides oversight of the police fleet and supply room inventory. Emergency Information Services provides computer support, statistical database maintenance, front line mobile data terminal and e-citation support. The Crime Analysis/Intel Unit analyzes and compiles reports of crime-related data to assist officers in their crime abatement efforts. The Records Management function is responsible for the records management system data files and maintenance of the DCI/Warrants functions. The Telephone Response Unit handles all non-emergency calls. The Recruiting Unit actively seeks qualified applicants and the Personnel Services Unit oversees the administration of our Human Capital.

RESOURCE ALLOCATION					
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$47,578,528	\$49,117,620	\$49,774,133	\$51,941,314	5.7%
Operating	5,449,677	5,464,232	5,810,247	5,816,594	6.4%
Capital and Other	46,463	-	-	-	0.0%
Transfers	41,465	40,638	33,990	39,251	-3.4%
Subtotal Appropriations	\$53,116,133	\$54,622,490	\$55,618,370	\$57,797,159	5.8%
Nondepartmental					
North East Central Durham	\$ -	\$ -	\$ -	\$ -	0.0%
Subtotal Nondepartmental	\$ -	\$ -	\$ -	\$ -	0.0%
Total Appropriations	\$53,116,133	\$54,622,490	\$55,618,370	\$57,797,159	5.8%
Full Time Equivalents	615	637	637	656	19.0
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$53,022,186	\$54,528,867	\$55,524,216	\$57,707,362	5.8%
Program	93,947	93,623	94,154	89,797	-4.1%
Total Revenues	\$53,116,133	\$54,622,490	\$55,618,370	\$57,797,159	5.8%
Grant					
Personal Services	\$ 214,500	\$ 222,498	\$ 270,673	\$ 269,498	21.1%
Operating	565,823	1,310,140	535,535	945,042	-27.9%
Capital and Other	44,348	-	-	523,868	100.0%
Total Appropriations	\$ 824,671	\$ 1,532,638	\$ 806,208	\$ 1,738,408	13.4%
Full Time Equivalents	-	-	-	-	-
Part Time	-	-	-	-	-
Revenues					
Grants	\$ 824,671	\$ 1,532,638	\$ 806,208	\$ 1,738,408	13.4%
Total Grant Revenue	\$ 824,671	\$ 1,532,638	\$ 806,208	\$ 1,738,408	13.4%
Total Budget	\$53,940,804	\$56,155,128	\$56,424,578	\$59,535,567	6.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Uniform Patrol Bureau	General Fund: \$31,661,395 FTEs: 378 Grant Funds: \$1,738,408 FTEs: 0
Program: Community Services Bureau	General Fund: \$3,184,097 FTEs: 30

Goal: Safe and Secure Community

Objective: To maintain the number of violent crimes at or below 700 per 100,000.

Initiative: Pursue proactive enforcement to include data driven policing and community based initiatives.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Violent crimes per 100,000	819	700	799	700

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Property crimes per 100,000	4,601	4,700	4,122	4,700

Goal: Safe and Secure Community

Objective: To ensure an average response time of 5.8 minutes or less to Priority 1 calls.

Initiative: Maintain adequate staffing levels of well trained call takers in Uniform Patrol and continue use of AVL system.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Average response time to all Priority 1 calls (minutes)	6.0	5.8	6.0	5.8

Goal: Safe and Secure Community

Objective: To respond to 57% or more of Priority 1 calls in less than 5 minutes.

Initiative: Maintain well-trained officers in Uniform Patrol and staff Uniform Patrol beats appropriately to maintain beat integrity and monitor response times to Priority 1 calls; continue collaboration with communications on call-taking issues.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Priority 1 calls responded to in less than 5 minutes	53.5%	57%	54%	57%

Goal: Safe and Secure Community

Objective: Decrease an identified high utilizer's calls for service for the year following initial contact with

Initiative: Maintain officers that are well-trained in CIT intervention and referral methods.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Decrease in CIT High Utilizer's 911 Calls for Service	43%	60%	70%	60%

Objective: To maintain a minimum of 40% of all 512 officers trained in Crisis Intervention and referral methods.

Initiative: Provide sufficient CIT training opportunities during the year.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Sworn trained in CIT methods	41%	40%	42%	40%

Objective: Establish 30 new neighborhood watch programs.

Initiative: Provide communities with sufficient information and assistance for ease of establishing neighborhood watch programs.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of new Neighborhood Watch Programs Established	28	30	29	30

Objective: Decrease burglaries in a defined RAP area by 50% within the 90 day period following a primary RAP response compared to the preceding 90 days.

Initiative: Initiate RAP response to areas where repeat burglaries are experienced.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% decrease in burglaries following Primary RAP response	64%	50%	50%	50%

Objective: To decrease the recidivism rate of youth attending a Juvenile Justice Call-in for 12 months compared to those not attending.

Initiative: Educate and encourage parents of juvenile offenders to have their children attend a Juvenile Justice Call-in.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Children Re-Offending who Did Not/Did Attend Call-in	29%/13%	50%/25%	40%/20%	50%/25%

Program: Investigative Services Bureau

General Fund: \$10,999,653

FTEs: 130

Goal: Safe and Secure Community

Objective: To maintain a minimum FY Violent Crime Clearance Rate of 50% or higher.

Initiative: Maintain well-trained investigators, monitor case clearance rate and maintain enhanced information sharing with the community.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Violent crime FY clearance rate	41%	50%	39%	50%

Goal: Safe and Secure Community

Objective: To maintain a minimum FY Property Crime Clearance Rate of 23% or higher.

Initiative: Maintain well-trained officers, monitor case clearance rate and maintain enhanced information sharing with the community.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Property crime FY clearance rate	19%	23%	20%	23%

Program: The Office of the Chief

General Fund: \$3,600,908

FTEs: 31

Program: Administrative Services Bureau

General Fund: \$8,351,106

FTEs: 87

Goal: Innovative & High Performing Organization

Objective: To achieve a real vacancy rate of 0% per month for authorized and funded sworn positions.

Initiative: Maintain aggressive, diverse recruiting efforts and utilize over-hires to meet operational needs.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
Average sworn real vacancy rate	0.00%	0.00%	0.00%	0.00%

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
Average sworn operational vacancy rate	4.90%	6.00%	5.80%	6.00%

Goal:

Objective: To conduct a citywide survey that measures the perception of safety in the City.

Initiative: Conduct annual survey through the Durham Convention & Visitors Bureau.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% Residents that feel personally safe in Durham	79%	70%	70%	70%

BUDGET ISSUES FOR FY 2016-17

- The attrition rate through the first seven months of FY16 averaged 4.1 officers per month, which impacts the presence of law enforcement officers on the streets. Aggressive recruiting efforts will continue to hold the operational vacancy rate at no more than 6% of funded officers for FY17. Lapsed salaries will be available to operate academies, at the approval of the City Manager.
- Overtime appropriations are used to fund special crime fighting initiatives and to compensate for operational vacancies.
- A staffing analysis done by the Department demonstrates a significant need for additional resources. In an effort to strengthen our argument, we have contracted with the International Association of Chiefs of Police (IACP) to do a staffing allocation study to help us determine the most optimal organizational structure and deployment of existing resources, and the exact number of additional investigators, front line call takers and civilian personnel needed.
- Funding is not adequate to cover costs for training needs for Department personnel.
- Increases in operating expenses and expansion of police technology have historically been funded from forfeiture funds. The Department of Justice has put a freeze on the sharing of all Asset Forfeiture Funds. As a result, in FY 2016-17 we will not receive Federal Asset Forfeiture Funds to supplement our General Fund budget.

ACCOMPLISHMENTS FOR FY 2015-16

- The Department continues to focus on reducing violent and property crimes. When comparing violent crimes committed per 100,000 in fiscal year 2014 to violent crimes committed per 100,000 in fiscal year 2015, there was an overall increase in violent crimes committed of 6.09% (772 to 819).
- When comparing property crimes committed per 100,000 in fiscal year 2014 to fiscal year 2015, there was an overall decrease in property crimes of 2.87% (4,737 to 4,601).
- Hired 14 recruits for the August 2015 BLET academy, of which 10 have now graduated and are in field training. Hired 26 recruits for the February 2016 BLET academy. The current sworn vacancy rate is 0.0%.
- The Department met or exceeded the national average in crime clearance rates in all categories for cities with similar populations.
- Maintained an average response time to Priority 1 calls for service in the first half of fiscal year 2016 of 6.3 minutes, compared to the projected time of 5.8 minutes.

- Purchased state mandated crime statistic reporting system known as NIBRS. Implementation is expected to be completed in FY16-17 based on final implementation date being pushed out by the State Bureau of Investigation.
- The Department received approval for one (1) additional Crime Analyst in FY15-16, to be funded within target budget. One round of interviews has been completed for this position, but it has not yet been successfully filled.
- The Department received approval for one (1) Office Assistant FTE to provide transcription services in the Professional Standards Unit. This position was to be funded within target budget. The position was filled February 8, 2016.
- The IACP staffing study is due to be completed in late March, 2016 and will produce practical, prioritized recommendations to upgrade the effectiveness and productivity of police services.
- An RFP for the body-worn camera program closed in August 2015. After a thorough evaluation and testing, VieVu was selected as the winning vendor. The contract and general order for body-worn cameras is in the current Agenda Cycle, and is due to be voted on by Council on 3/7/2016. Pending Council approval, body cameras are expected to be purchased, with limited implementation in the field, late in FY15-16.
- Recognitions and efforts made to improve the department's image include the following:
 - Participated in Department of Justice sponsored field trips to Washington, DC, Boston, and Kansas City for training on the concepts of procedural justice and police legitimacy.
 - DPD earned National Night Out Distinctions in 2015 by ranking as number 11 out of 121 similarly sized cities across the nation for its overall NNO campaign, neighborhood participation, law enforcement involvement, media and promotional campaign, and special events.
 - The Forensics Unit applied for and received the final portion of accreditation in its Digital Forensics section in October, 2015. The FSU is now fully ISO accredited, making it the only fully accredited crime lab in the state of NC.
 - The 2015 Citizens Police Academy (CPA) was restructured to enhance the academy. Strategies included streamlining the curriculum; adding take home assignments; implementation of a facilitator orientation; creation of online academy registration; and change in attendance requirements. Twenty-eight (28) residents graduated from the 2015 CPA, the largest CPA graduating class in recent DPD history.
 - DPD continued to expand its social media platforms and provide valuable information to residents in FY15-16. DPD is active on the following social media platforms:
 - Facebook, with 5,671 followers/likes
 - Twitter, with 1,254 followers
 - Nextdoor, with 19,572 members

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Conduct sworn employee pay plan study and implement results.
- Analyze and implement the results of the staffing study completed by the IACP.
- Implement body camera program for all Uniform Patrol officers.
- Implement a Take-Home Patrol Vehicle program.
- Complete implementation of state mandated crime statistic reporting system known as NIBRS.
- Begin construction on restroom facilities at the Firing Range.
- Continue to focus on the reduction of violent crime and property crime.
- Continue to evaluate and strengthen our recruiting efforts in order to hire and graduate BLET academies as needed.
- Maintain an average sworn vacancy rate of 0% and sworn operational vacancy rate of 6% or less.
- Meet or exceed the national average in crime clearance rates for cities with similar populations.
- Reduce Part 1 crimes per capita in comparison to the previous calendar year.
- Maintain acceptable response times to all Priority 1 calls.
- Continue efforts to improve the Department's public image.
- Focused overtime efforts will continue in the Southside area.
- Continue the Bulls-Eye and Residential Awareness Program Initiatives.

CONTRACT AGENCIES – PUBLIC SAFETY

The City of Durham annually reviews funding of programs and may enter into contracts with various agencies. These agencies provide services that complement the efforts of City departments. Agencies that are funded provide services that tie directly to Council goals and priorities. FY 2014-15, funding was included for the purpose of having an Emergency Judge assigned to hold court in the 14th Judicial District to provide additional days of court for Domestic Violence cases.

RESOURCE ALLOCATION

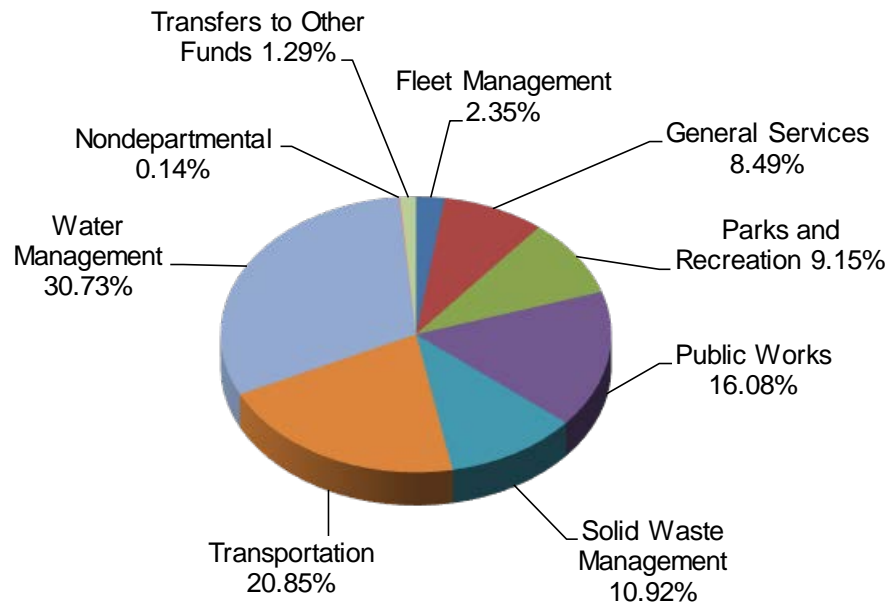
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Operating	12,057	-	-	-	0.0%
Total Appropriations	\$ 12,057	\$ -	\$ -	\$ -	0.0%
Revenues					
Discretionary	\$ 12,057	\$ -	\$ -	\$ -	0.0%
Program	-	-	-	-	0.0%
Total Revenues	\$ 12,057	\$ -	\$ -	\$ -	0.0%

**Funding was moved to the Police Department General Fund budget in FY 2014 – 15.*

**PUBLIC SERVICES
BUDGET SUMMARY**

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Non-Grant					
Appropriations					
Fleet Management	\$ 3,918,760	\$ 3,159,967	\$ 3,261,818	\$ 3,328,854	5.3%
General Services	11,075,577	11,620,682	12,771,692	12,010,256	3.4%
Parks and Recreation	10,750,684	11,860,862	12,286,476	12,948,649	9.2%
Public Works	17,505,099	18,509,174	19,396,174	22,760,160	23.0%
Solid Waste Management	14,298,111	15,092,628	14,902,637	15,455,515	2.4%
Transportation	25,452,007	28,198,084	27,954,070	29,501,265	4.6%
Water Management	37,627,269	42,448,246	41,049,957	43,486,607	2.4%
Nondepartmental	200,000	200,000	200,000	200,000	0.0%
Transfers to Other Funds	11,783,329	2,017,609	2,314,829	1,832,293	-9.2%
Total Appropriations	\$ 132,610,836	\$ 133,107,252	\$ 134,137,653	\$ 141,523,599	6.3%
Full Time Equivalents	989.5	982.5	982.5	992.5	10
Part Time	86	86	86	86	-
Revenues					
General Fund					
Discretionary	\$ 46,498,423	\$ 38,519,695	\$ 40,234,972	\$ 42,420,400	10.1%
Program	3,695,239	3,333,150	3,874,203	4,415,568	32.5%
General Fund Subtotal	\$ 50,193,662	\$ 41,852,845	\$ 44,109,175	\$ 46,835,968	11.9%
Ballpark Fund	-	-	42,961	42,022	100.0%
Parking Fund	2,464,706	2,623,374	2,821,599	3,181,825	21.3%
Solid Waste Disposal Fund	14,257,571	15,346,240	15,127,485	15,711,647	2.4%
Storm Water Fund	7,594,563	8,125,107	8,074,510	8,864,905	9.1%
Transit Fund	17,489,927	19,679,295	19,725,910	20,071,073	2.0%
Water and Sewer Fund	40,610,407	45,480,391	44,236,013	46,816,159	2.9%
Total Revenues	\$ 132,610,836	\$ 133,107,252	\$ 134,137,653	\$ 141,523,599	6.3%
Grants					
Transit Grant	\$ 4,634,932	\$ 8,297,731	\$ 8,503,597	\$ 6,509,377	-21.6%
Transportation Planning	1,677,633	1,986,287	1,986,287	2,715,731	36.7%
Total Grants	\$ 6,312,565	\$ 10,284,018	\$ 10,489,884	\$ 9,225,108	-10.3%
Full Time Equivalents	11.5	11.5	11.5	11.5	-
Part Time	2	2	2	2	-
Total Budget	\$ 138,923,401	\$ 143,391,270	\$ 144,627,537	\$ 150,748,707	5.1%

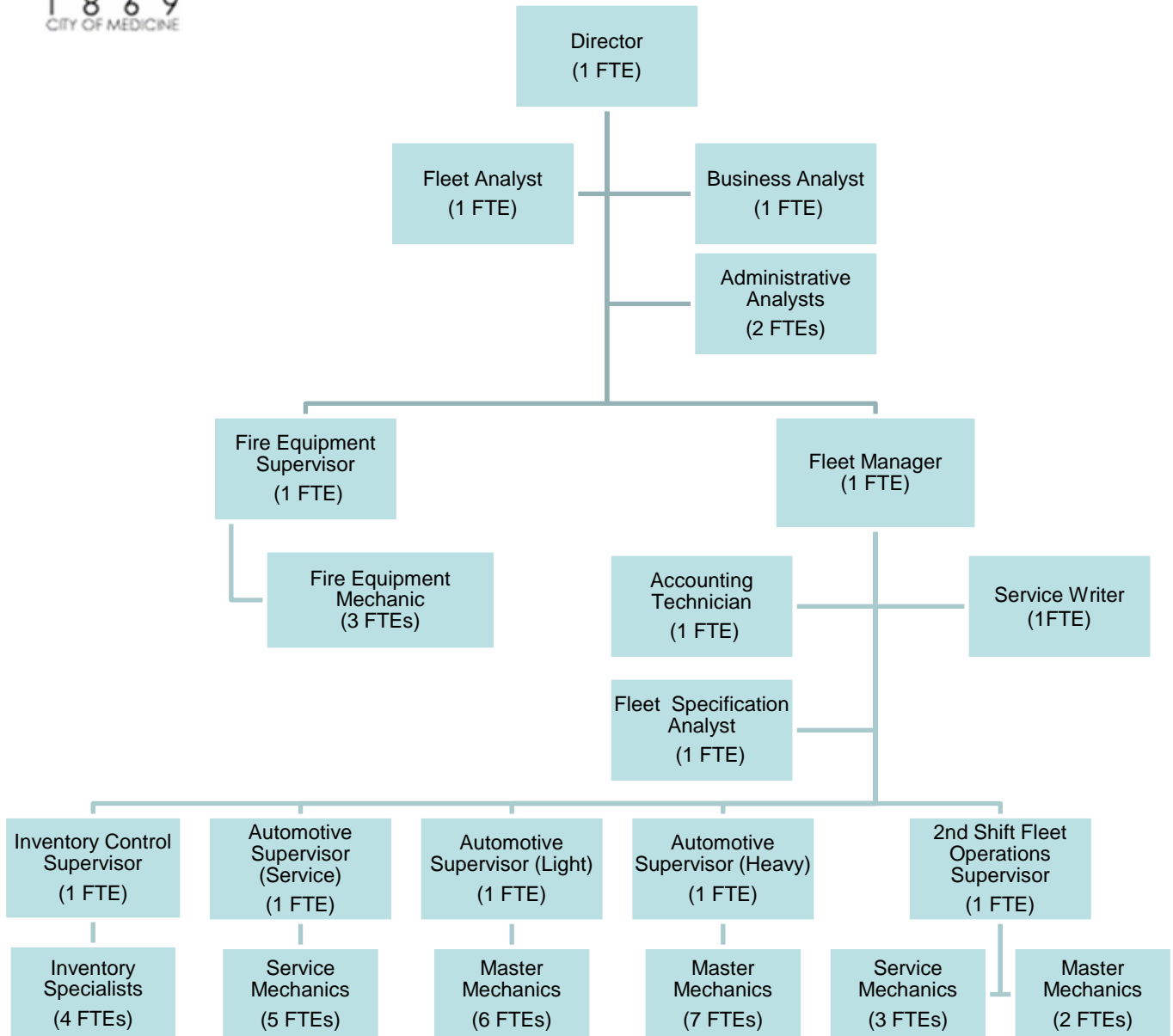
PUBLIC SERVICES





Fleet Department

(45 FTEs)



FLEET MANAGEMENT

Purpose Statement:

To provide timely, cost effective and high quality services to our customers while achieving the highest levels of customer satisfaction. The Department of Fleet Management consists of three core business functions: Fleet Asset Management, Fleet Maintenance, and Fire Maintenance. The department strives to maintain a high level of compliance with the preventive maintenance program (PM), manage a consolidated vehicle/equipment replacement program, provide 24/7 support to the Fire Department's suppression vehicles, 24/7, and 24/7 support for fleet functions during emergency events

DEPARTMENT DESCRIPTIONS

Fleet Management	\$3,328,854
Fleet Asset Management/Fleet Maintenance/Fire Maintenance	45 FTEs

Fleet Operations provides cost effective, quality and timely vehicle repair and management services to all city departments. Services are provided through seven organizational teams: Heavy Equipment, Light Equipment, Service, Night, Fire, Parts, and Administrative. The division supports over 1500 vehicles/equipment for departments including; Police, Fire, Public Works, Solid Waste, Water Management, General Services, and others. Fleet provides refueling for all city vehicles at two operational sites. Fire Maintenance operates out of an additional facility and supports the City's fire suppression vehicles. This includes emergency services 24 hours a day, 7 days a week. Fleet has a direct support mission to the Police and Fire departments that affects their ability to fight crime and fire. Fleet also has a direct support mission for all departments that provide core services to our citizens (Solid Waste, Water Management, Public Works, General Services, Parks and Recreation, etc.). Fleet services are extended during emergency events to include 24-hour operations when needed.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 3,090,628	\$ 2,762,696	\$ 2,715,852	\$ 2,865,864	3.7%
Operating	764,594	346,271	494,966	351,990	1.7%
Capital and Other	63,538	51,000	51,000	111,000	117.6%
Total Appropriations	\$ 3,918,760	\$ 3,159,967	\$ 3,261,818	\$ 3,328,854	5.3%
Full Time Equivalents	53	45	45	45	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,867,086	\$ 3,147,967	\$ 3,233,818	\$ 3,316,854	5.4%
Program	51,674	12,000	28,000	12,000	0.0%
Total Revenues	\$ 3,918,760	\$ 3,159,967	\$ 3,261,818	\$ 3,328,854	5.3%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Fleet Maintenance/Fire Maintenance

General Fund: \$3,328,854

FTEs: 45

Goal: Stewardship of City's Physical Assets & Well Managed City

Objective: Provide cost effective and efficient maintenance services to ensure vehicles and equipment are serviced, safe and reliable. This includes maintaining high preventative maintenance (PM) compliance. These efforts protect the value of the assets. The PM program insures the availability of the asset, allowing for user departments to provide the citizens the services timelier, contributing to a well-managed City.

Initiative: Utilize the fleet management software system to ensure that maintenance standards are achieved and use the software system to identify replacement vehicles/equipment. Monitoring direct labor, managing an effective PM program and focusing on availability as primary indicators, will assure that our total maintenance management focus stays on track.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% work orders scheduled maintenance vs. unscheduled	58%	52%	55%	55%
% repairs from PM service	34%	34%	34%	34%

Goal: Safe and Secure Community & Thriving Livable Neighborhoods

Objective: Insure that the City's fleet has high availability; repairs are made properly and provide an effective consolidated replacement program. This insures that the Police and Fire have their vehicles to provide for a safe and secure community. This also insures that Solid Waste, Public Works, Water, Neighborhood Improvement, Parks & Recreation and General Services can provide the services that promote thriving livable neighborhoods.

Initiative: Utilize the fleet software system to track availability and comeback repairs. The fleet software system will be used to control fleet size through annual utilizations studies, complemented by using an effective scoring system to make sound fleet replacement decisions.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Vehicles/Equipment Supported (Includes small equipment in fleet)	1,666	1,560	1,580	1,560
% Fleet availability (Light)	95%	95%	96%	95%
% Fleet availability (Heavy)	93%	95%	95%	95%
% Comebacks per total work orders	<0.21%	<1%	<0.20%	<1%
% Work orders within 24 hours	86%	85%	85%	85%
# Vehicles in service per technician	67	55	67	55

BUDGET ISSUES FOR FY 2016-17

- Ongoing building, grounds and equipment maintenance needs on two aging facilities.
- Fleet staffing levels; slightly understaffed according to industry standards (vehicle/technician ratio).
- Retention of experienced Master Mechanics.
- Fire Maintenance is quickly outgrowing maintenance facility.
- Sufficient Fleet Replacement Funding

ACCOMPLISHMENTS FOR FY 2015-16

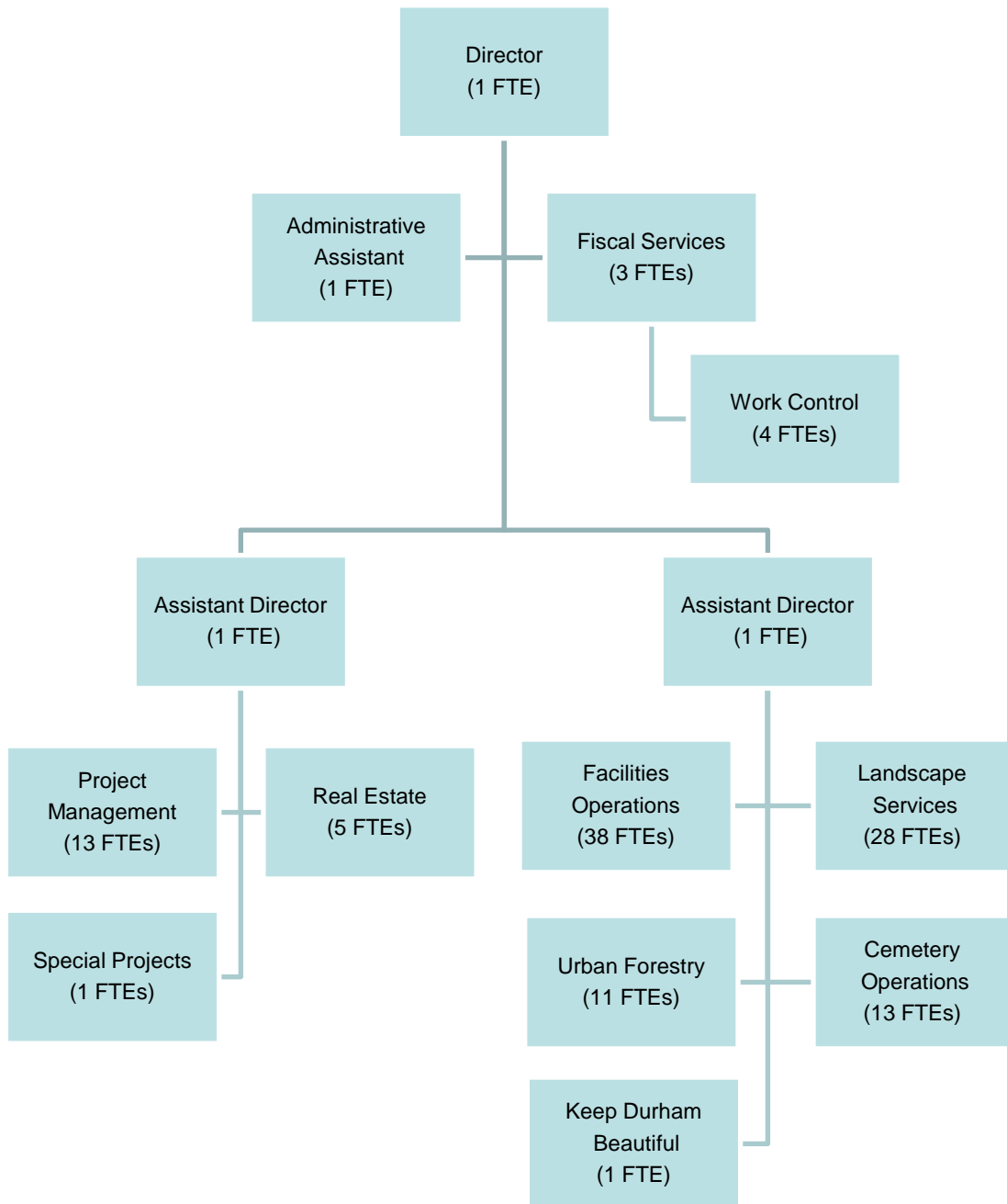
- Recognized as the 17th best managed government fleet in the nation by 100 Best Government Fleets.
- Recognized as the 45th best managed government fleet in the nation by the Government Green Fleet.
- Recognized as a “notable fleet” by Leading Fleets.
- Continue to see upward trends in key performance indicators and performance measures.
- Completed a benchmarking study with other similar sized Fleets
- Adopted an Annual Risk/Safety Plan.
- Developed Asset Management Plan.
- Completed tenth year of consolidated vehicle replacement plan.
- Entered into the second year of a contract to provide repair services for Durham County Fire.
- Developed a comprehensive 10 year vehicle replacement plan

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Remain on the Government Green Fleet list possibly advancing our previous position.
- Remain in contention for a position in the 100 Best Fleets.
- Remain in contention for a position in the Leading Fleets.
- Continue best business practices for citywide vehicle utilization program.
- Sustain consolidated vehicle replacement plan.
- Develop and implement a new 2 year Strategic Plan

General Services

(121 FTEs)



GENERAL SERVICES

Purpose Statement:

To create, manage, and maintain city properties to provide best value to our community

DEPARTMENT DESCRIPTION

General Services

General Fund: \$11,968,234
121 FTEs

Administration

Administration manages the department and provides business and support services to the individual divisions. All administrative activities for the entire department are channeled through and coordinated by this unit. In addition to offering departmental support, the Business Services and Work Control groups deliver administrative and contract management support to the City's Community Facilities. Administration assists with city-wide compliance with the Americans with Disabilities Act (ADA), asset/space management, planning for other departments' facilities and other special projects.

Facilities Operations

The Facilities Operations division is responsible for the maintenance of 1.7 million square feet of City buildings, including the Durham Performing Arts Center (DPAC), City Hall, Durham Arts Council, Carolina Theatre, Durham Convention Center, Durham Station, Durham Athletic Park and the Durham Bulls Athletic Park. This core service provides maintenance and repairs and associated project management of HVAC, building energy management, electrical and plumbing systems, as well as carpentry and painting, for City facilities, and parks and recreation centers. Custodial Services for City facilities and the small neighborhood recreation centers is also provided. This operation provides after hours on-call service for reporting and responding to emergencies.

Landscape Services

The Landscape Services division is responsible for enhancing and maintaining the City's public spaces, recreation centers grounds and rights-of-way using current horticultural practices to implement grounds maintenance, landscape installation and turf management. This division also maintains the landscape installations in public areas, plazas and around decorative fountains and outdoor amenities on City property in downtown Durham.

Urban Forestry

The Urban Forestry division provides arboriculture services including pruning, planting, removal and protection, ordinance enforcement, and consultation to the residents of Durham regarding trees on maintained City property and rights-of-way. This operation provides after hour on-call service for reporting and responding to emergencies.

Cemetery Operations

The Cemetery division operates and maintains the City's two cemeteries: Maplewood and Beechwood (a total of approximately 150 acres). Services provided include the sale of grave spaces, columbarium and mausoleum niches, burials, grave marker installation, as well as landscaping and maintenance of the properties.

Project Management

The Project Management division manages and coordinates the design and construction of a wide range of the City's public improvements, administers the City's Deferred Maintenance program and coordinates energy management initiatives and projects. Services include conducting feasibility studies, preparing construction plans, and providing project administration for facility renovations, new facility construction and parks.

Real Estate

The Real Estate division provides support services to all City departments. Services include property acquisition and disposition, leasing and property management, development support, comparative market analyses, and management of the City's property inventory.

Keep Durham Beautiful

Keep Durham Beautiful, Inc. (KDB) is a non-profit volunteer-based organization whose mission is to engage and inspire individuals to take greater responsibility for their community environment. KDB encourages beautification, litter reduction and recycling by fostering community awareness and resident involvement through educational and programmatic activities. A local affiliate of the national organization, Keep America Beautiful, KDB forms partnerships with businesses, organizations and individuals to leverage resources to enhance City and County appearance. KDB has many initiatives including the annual Litter Index (a visual assessment of litter on City streets), organized litter cleanups, environmental education, community greening and other beautification activities.

Sustainability

The City – County joint sustainability initiative is funded as part of the General Services budget.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 7,630,218	\$ 7,889,904	\$ 7,739,839	\$ 8,053,039	2.1%
Operating	3,445,359	3,630,278	4,924,353	3,876,670	6.8%
Capital and Other	-	100,500	107,500	80,547	-19.9%
Total Appropriations	\$11,075,577	\$11,620,682	\$12,771,692	\$12,010,256	3.4%
Full Time Equivalents	124	124	124	121	-3
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$10,665,039	\$11,159,682	\$12,267,731	\$11,507,234	3.1%
Program	410,538	461,000	461,000	461,000	0.0%
Total General Fund	\$11,075,577	\$11,620,682	\$12,728,731	\$11,968,234	3.0%
Ballpark Fund	-	-	42,961	42,022	100.0%
Total Revenues	\$11,075,577	\$11,620,682	\$12,771,692	\$12,010,256	3.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program:	Administration	General Fund:	\$1,648,511
		FTEs:	12
Goal:	Innovative & High Performing Organization and Stewardship of City's Physical Assets		
Objective:	To perform accounting services in a systematic manner in order to provide timely processing and payment of procurement documents.		
Initiative:	Utilize work order system to improve responsiveness and adhere to City and departmental standards.		

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Procurement documents processed within 3 business days	79%	85%	85%	85%

Objective: ADA Compliance - To ensure people with disabilities have full access to City government in compliance with the Americans with Disabilities Act (ADA) of 1990 as amended, Section 504 of the Rehabilitation Act of 1973 and applicable federal, state and local laws, and other regulations pertaining to persons with disabilities.

Initiative: Provide technical support to City departments, employees, and citizens regarding the Americans with Disabilities Act (ADA), thereby building capacity to serve citizens with disabilities.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Projects receiving technical reviews for ADA compliance	100%	95%	95%	95%

Program: Facility Management **General Fund: \$4,010,829**
FTEs: 26

Goal: Stewardship of City's Physical Assets

Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Reactive work orders per quarter	23%	25%	29%	25%
Avg Days to Complete work orders	5	6	6	6

Program: Custodial Services **General Fund: \$728,138**
FTEs: 12

Goal: Stewardship of City's Physical Assets

Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Preventive maintenance work orders completed on schedule	100%	100%	100%	100%

Program: Landscape Services

General Fund: \$2,080,794

FTEs: 28

Goal: Stewardship of City's Physical Assets

Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Avg # days to complete service requests	8	8	8	8
% of self-performed mowing cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	80%	85%	90%	85%

Program: Urban Forestry

General Fund: \$806,309

FTEs: 11

Goal: Thriving, Livable Neighborhoods and Stewardship of City's Physical Assets

Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Avg # of labor hours per service request	14	16	16	16
Avg # days to complete service requests	35	35	39	35

Program: Cemetery Operations

General Fund: \$886,484

FTEs: 13

Goal: Stewardship of City's Physical Assets

Objective: To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

Initiative: Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Mowing Cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	85%	90%	85%	90%
Revenue % of total expenses	46%	52%	60%	55%

Program: Project Management

General Fund: \$1,176,147

FTEs: 13

Goal: Stewardship of City's Physical Assets

Objective: To maintain approved project scope, schedule and budget.

Initiative: Utilize best practices to control variance from original budget, scope and schedule.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Project design schedules maintained on time	58%	75%	70%	75%
% Project construction schedules maintained on time	62%	75%	65%	75%
% of Design Development cost estimates within 20% of awarded bid	65%	80%	65%	80%
% of Construction Documents cost estimates within 15% of awarded bid	63%	80%	70%	80%
% of projects with change orders less than 5% of original amount	73%	75%	75%	75%

Program: Energy Management

Goal: Innovative & High Performing Organization

Objective: Manage the City's use of energy to reduce cost, make better use of resources and reduce the City's carbon footprint.

Initiative: Utilize a member of the General Services Department's Project Management Division to work with City departments to develop, implement and manage a City-wide Energy Management Program.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Projects receiving technical reviews for new facilities and renovations for energy efficiency	100%	95%	95%	95%
Reduce energy consumption in the City buildings by 3%	50%	60%	60%	60%

Program: Real Estate

General Fund: \$431,315

FTEs: 5

Goal: Innovative & High Performing Organization and Stewardship of City's Physical Assets

Objective: To maintain high quality record keeping and reporting of the services requested from internal and external customers as well as the efficiency and timeliness for completing requested services.

Initiative: Track when services are requested and completed, with the ability to generate reports showing the number of acquisitions, sales, etc. completed and efficiency in completing services.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Transactions completed on schedule	100%	75%	74%	75%

% of evaluation survey respondents that report Real Estate Division services met or exceeded expectations based on: maintenance of schedule, technical proficiency, and reporting to client	100%	75%	100%	75%
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Objective: To measure the workload of real estate officers performing acquisitions, sales, leasing, database development, and other real estate matters for both internal and external customers.

Initiative: To use a portfolio management technique to track the number of real estate matters handled per real estate officer.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Average # of real estate transactions completed annually per Real Estate Officer	22	20	20	20

Program: Keep Durham Beautiful **General Fund:** \$106,708
FTEs: 1

Goal: Thriving Livable Neighborhoods

Objective: To support strategies designed to strengthen the City's partnership with community groups to improve and enhance the appearance of Durham through litter abatement, solid waste reduction education and beautification.

Initiative: Focus on strategies that continue community cleanup activities, in conjunction with other City departments, community agencies and organizations, and Keep Durham Beautiful.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Partnerships formed/created	55	40	40	40
Cost/benefit return ratio	\$1:\$4.50	\$1:\$4.60	\$1:\$4.60	\$1:\$4.60

Program: Sustainability **General Fund:** \$92,999

BUDGET ISSUES FOR FY2016-17

- Continued Capital Projects implementation.
- Development of an Asset/Space Management System
- More focus on landscaping and overall appearance of the City's grounds
- Address the tree canopy issues with a 10-year tree replacement plan
- As part of the ESS and employee's IDP – increase training and professional development opportunities.
- Continued implementation of facility deferred maintenance Program
- Develop and refresh the Departmental Strategic Plan
- Continued development and integration of Facility Maintenance Plans

- Establishment of lifecycle management practices for facilities, including the establishment of facility component replacement plans.

ACCOMPLISHMENTS FOR FY 2015-16

- Completed sandblasting/painting project in the Centre Garage
- Completed structural analysis of structural members in Centre Garage
- Completed installation of Fall Arrest System for Fleet Management and Edison Johnson Recreation Center (not on original FY115-16 list)
- Completed installation of chiller at Durham Arts Council
- Completed installation of HVAC building unit at Durham Station
- Completed transactions for the University Drive sidewalk project
- Completed transactions for the Southeast Pressure zone project
- Completed transactions for the Markham Mangum Roxboro sidewalk project
- Completed transactions for the East Durham Sanitary Sewer Outfall project
- Completed transaction for the West Ellerbe Creek Trail Project
- Coordinated transactions for the Google Fiber Project
- Completed acquisition of property at Roberts Road for Lake Michie expansion project
- Completed acquisition of property at 3125 Pat Tilley Road for the Lake Michie Expansion project
- Completed acquisition of property at 1902 Camden Avenue for the Mist Lake Expansion project
- Completed acquisition of property at 201 S. Elm for Edgemont Park CIP project
- Completed acquisition of property at 808 W. Trinity Avenue for Stormwater retrofit project
- Assisted Public Works Department in securing property for the Watts Street sidewalk repair project
- Assisted in the sale of the North Parking Deck
- Managed tenant leases at site of future Police Headquarters
- Completed sale of property interests at 400 Hunt Street (Parkside at Morris Ridge)
- Completed sale of property interests at 101 W. Chapel Hill Street (Kimbrell Building)
- Completed sale of property to NCDOT for the Alston Avenue Widening Project
- Completed sale of property to B Wallace Design at 2300 Nevada Avenue
- Completed sale of property to Longleaf Building and Restoration Company at 2600 Sarah Avenue
- Completed sale of property to Mark Bullock at 110 Chestnut Street
- Completed conveyance of easement to Duke Energy at 501 Foster Street
- Completed conveyance of property interests at 102 W. Main Street ("Chickenbone Park")
- Completed lease with State of North Carolina for the Mountains to Sea Trail Project
- Completed lease with Durham Association of Realtors at Lyckan Parkway
- Completed lease with Liberty Arts at the Central Park Foundry
- Completed lease with Frontier Communications at Farrington Road
- Completed Inter-Local Agreement with Durham County at Southview Road
- Completed Inter-Local Agreement and subsequent transactions with Durham Public Schools at Lucas Middle School
- Completed appraisal of the Lake Michie boathouse
- Completed abandonment of property on Ninth Street
- Completed data transfer for cemetery mapping software. This software will allow online GPS mapping of burial locations throughout both Beechwood and Maplewood Cemeteries
- Developed a partnership with Water Management and Parks and Recreation for repurposing excess excavated soil from Beechwood and Maplewood Cemetery. This includes a plan to relocate most excess soil to an offsite storage area
- Completed design of Fire Station 1 HVAC upgrades
- Completed Chapel Hill surface lot repaving
- Completed Fire Station 3 concrete repairs
- Completed Fire Station 1 & 3 rain gardens
- Completed Fire Training Tower structural repairs
- Completed Solid Waste Management Transfer Station
- Completed Fire Station 2 HVAC project
- Completed Weaver Street Recreation Center site improvements
- Completed Armory interior upgrades (Phase II)
- Completed Durham Station concrete repairs

- Completed Forest Hills, Piney Wood, Lyon, East End and East Durham Parks athletic court resurfacing projects.
- Completed Parks Driveway and Parking lot Paving: Two sites that don't need paving, only striping; East Durham Community Center and Cook Road
- Completed Parks athletic court resurfacing: Forest Hills Tennis
- Completed Parks athletic field resurfacing: Herndon Park
- Completed Parks bathroom updates: Elmira, Northgate, East End, West Point on the Eno, Forest Hills
- Completed Parks lighting improvements: CM Herndon Park Baseball Field Lighting
- Completed City Hall envelope renovation project
- Completed 400 Cleveland Street roof & envelope project
- Completed Parks building demolition project
- Completed Twin Lakes Park upgrades project
- Completed DPAC lobby divider wall project
- Completed Herndon Park soccer field upgrades
- Continued implementation of the Dedicated Funding for Parks initiative
- Continued implementation of CPTED (Crime Prevention through Environmental Design) principles in collaboration with DPD and the Trail Watch along the American Tobacco Trail
- Implemented expanded "Great Durham Cleanup" event
- Expanded volunteer participation in the tree planting partnership with "Trees Across Durham" and the City/County Sustainability Office
- Sponsored follow up Recycling Summit to connect partners with DPS to identify resources (such as grants) for improving recycling infrastructure, system and process at DPS, and determine steps for educating staff and students about waste reduction best practices
- Complete the hardscape and landscape along Mangum Street at the Chapel Hill parking deck
- Complete landscaping at the Armory
- Increased plantings throughout downtown, adding three seasonal color changes

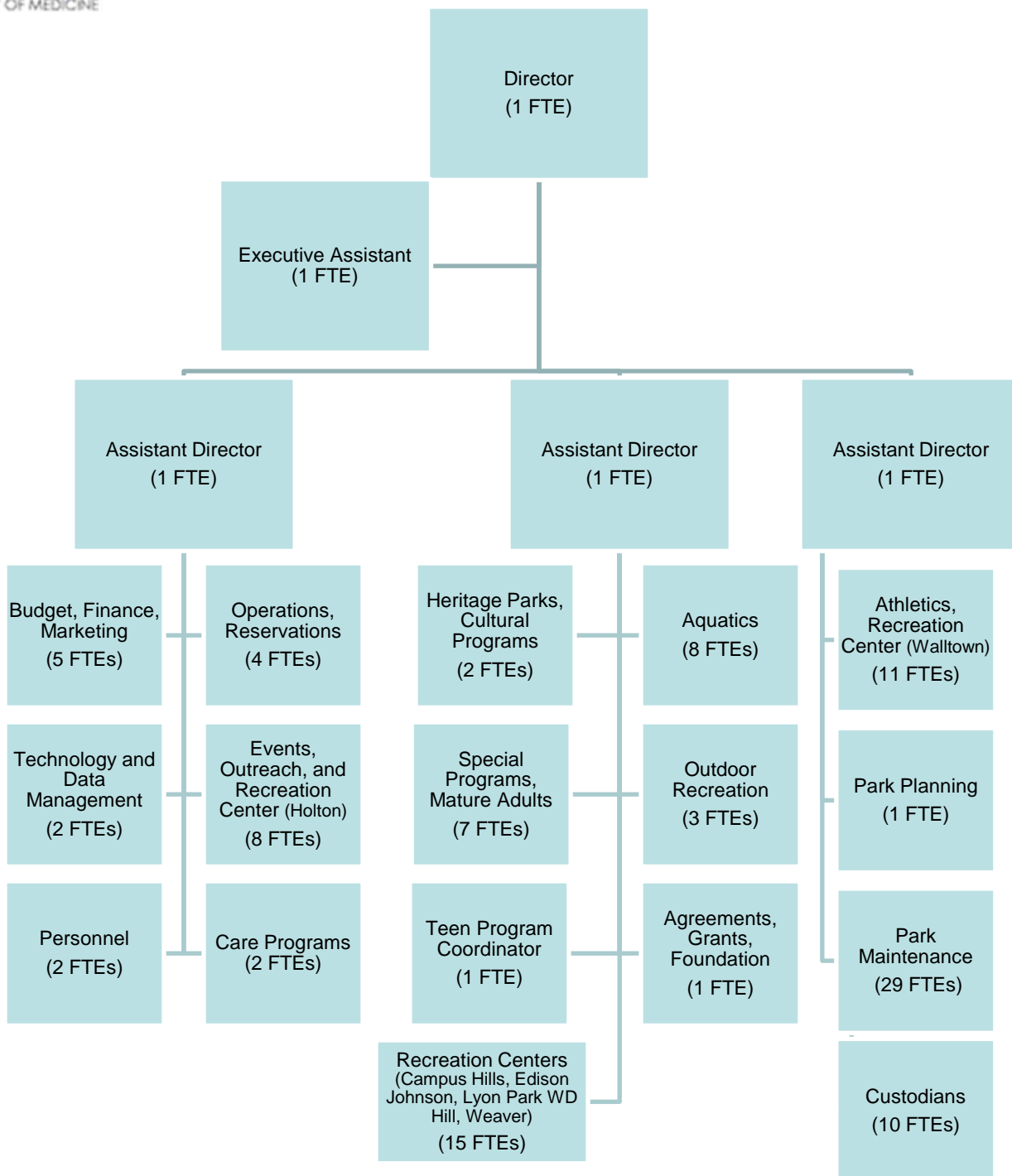
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Continue implementation of work order system for the Facilities Custodial Services and Building Maintenance Operations divisions
- Continue implementation of inventory control system for Facilities Custodial Services and Building Maintenance Operations divisions
- Create facility maintenance plans for an additional two (2) City facilities
- Continue verification process with City operators for facility maintenance plans
- Identify storage platform for facility maintenance plans
- Continue implementation of the Dedicated Parks initiative
- Complete refresh of preventive maintenance for systems and equipment in City buildings and Recreation Centers
- Complete bid Services for custodial services at District #1 Police Sub-Station
- Complete contract amendment for custodial services at District #3 Police Sub-Station
- Continue contract administration for City-wide pest control and elevator maintenance services
- Complete design and installation of new automaton controls for Solid Waste
- Execute Deferred Maintenance projects for FY16-17: Replace air handlers and return fans in City Hall, replace floor box heating in City Hall Council Chambers, replace window seal material throughout the Solid Waste Facility as funding allows
- Complete arc flash review for electrical power systems at City Hall, City Hall Annex and Police Headquarters.
- Continue maintenance and repair reviews and support for City Civic spaces to include: DPAC, DBAP, Convention Center, Arts Council and Carolina Theater.
- Continue implementation of the Dedicated Parks initiative
- Continue implementation of CPTED (Crime Prevention through Environmental Design) principles in collaboration with DPD and the Trail Watch along the American Tobacco Trail
- Continue expansion of volunteer participation in the tree planting partnership with "Trees Across Durham" and the City/County Sustainability Office
- Complete Fleet HVAC and Controls project
- Complete Edgemont Park playground replacement project
- Complete DPR pre-fab (Portland Loo) Bathroom project
- Complete DPR floodplain playgrounds project
- Complete fireproofing repair at Durham Convention Center

- Complete retro-commissioning and sub-meter installation at Durham Convention Center
- Complete Fire Station 9
- Complete Fire Station 6 & 11 roof and envelope repair
- Complete Fire Station 1 HVAC
- Complete Fire Station 13 roof and envelope repair
- Complete PWOC fuel island concrete repairs
- Complete City Hall lighting and controls project
- Complete City Hall committee room HVAC improvements
- Complete Downtown parking garage elevator modernizations
- Complete design of City Hall 3rd and 4th floor HVAC & lighting
- Complete FY16 DPR paving, athletic court, athletic field, bathroom and lighting improvement projects
- Complete design ADA improvements at Valley Springs and West Point on the Eno parks
- Complete feasibility studies / amenity expansion concept design for Twin Lakes, Morreene Rd and Snow Hill parks
- Complete design and begin construction of Police Headquarters and 911 project
- Complete PWOC bathroom upgrades
- Complete design of firing range bathrooms
- Complete SWM annex design
- Complete Sign and Signal Shop
- Complete resurfacing of Lot 8 and Corcoran Lot
- Complete Parks driveway and parking lot paving: Duke Park Acadia St parking, Red Maple, Lakeview, Wrightwood
- Complete Parks athletic court resurfacing: Red Maple basketball courts, Sherwood futsal courts
- Complete Parks bathroom updates: Whippoorwill, Southern Boundaries, Wrightwood
- Complete Parks lighting improvements: Crest Street Baseball Lights
- Complete FY17 Deferred Maintenance projects: Edison Johnson Recreation Center condition assessment; door openers at Edison Johnson and Campus Hills; handrail at Solid Waste Management; paint Campus Hills Pool ceiling; repair roof at Leigh Farm Park Visitor Center; paint exterior of Mangum House; condition assessment of envelope at Fire Station 12; design of HVAC Replacements for nine City facilities; concrete apron replacement at Fire Station 2; replacement of concrete drive at Fire Station 13; replacement of reheat boxes in Council Chambers; replacement of four air handler assemblies at City Hall; update of City Hall digital signage.
- Complete transactions for the Fayetteville-Buxton-Riddle realignment project
- Complete conveyance of property interests at 539 Foster Street
- Complete acquisition of property adjacent to Twin Lakes Park
- Complete acquisition of property adjacent to Mist Lake
- Complete acquisition of property for Fire Station 18
- Complete license transactions with Google Fiber
- **Complete lease transaction for relocation of the Briggs Avenue office of NCWorks**
- Complete lease transactions with Piedmont Wildlife Center at Leigh Farm Park

Parks and Recreation

(116 FTEs)



PARKS AND RECREATION

Purpose Statement:

Durham Parks and Recreation provides opportunities for our community to Play More!

DEPARTMENT DESCRIPTION

Parks and Recreation

\$12,948,649

116 FTEs

Operational Services

Operational Services provides support to staff and their programs, coordinates the department's budget, and develops and implements policies and standard operating procedures. It provides oversight to personnel management and is responsible for the department's Strategic Plan, planning, research and implementation of best practices, recreation software management, accreditation, marketing and public relations, special events, grants, sponsorships, facility agreements and rentals, data management, center computer labs and outreach programs.

Administration

This unit is responsible for providing professional management that is accountable, efficient and transparent. The unit provides the support and executive leadership to all full time and seasonal/part-time staff and programs. Staff members execute the department's work plan in accordance with the Master Plan, the City's Strategic Plan, and the department's Strategic Plan.

Budget, Finance & Marketing

This unit develops, coordinates, and provides oversight to the departmental budget. Staff manages accounts payables, receivables, purchasing functions, and management of grants and discount/waiver programs (Sliding Fee Scale, Facility Fee Waivers). This unit is also responsible for the marketing and public relations functions for the department. Staff are responsible for department branding, all media relations, the DPR website, print materials including the "Play More" program guide, flyers and brochures, *DPRInfo* email, public service announcements, social media, promotional items and exhibit equipment, and marketing campaigns for special programs and events.

Personnel

This unit provides the timekeeping function for the department's full-time and part-time staff. Staff assist Human Resources in the screening and referral of seasonal applications, provide policy interpretation and assistance to staff, manage leave and attendance records, personnel requisitions, personnel actions, and ensure personnel are paid in a timely manner. The unit manages the department's background check requirements for employees, volunteers, and contractors and ensures departmental compliance with City, State, and Federal guidelines (e.g. 1,000 hour employee benefits, retirement benefits, FLSA, etc.) The unit also coordinates benefits and training for departmental employees.

Technology and Data Management

Technology management, data control and computer lab management are the primary functions of this unit. Staff researches, recommends, implements, and manages technology hardware and software applications. This unit is responsible for providing development and management of program evaluations. Staff plays a critical role in the ongoing management of the department's recreation software. The unit serves as liaison to the Technology Solutions department, provides software training, and manages the department's technology inventory. In addition, staff are responsible for providing networking, hardware, and software management of the computer labs within the recreation centers.

Operations, Playground Safety, and Facility Reservations

This unit provides oversight of many of the key day-to-day operational functions within the department. Staff provides leadership and management of the department's CAPRA (Commission for the Accreditation of Parks and Recreation Agencies) accreditation status and ongoing compliance. Staff also oversees the research, development, implementation and maintenance of departmental policies, standard operating procedures, and manuals. This unit provides reception at the Administrative Services office, and is responsible for reservations and facility management of rental facilities including the historic Armory in downtown Durham, Spruce Pine Lodge

at Lake Michie, Forest Hills Neighborhood Clubhouse, McCown-Mangum House at West Point on the Eno Park, picnic shelters, outdoor plazas, and campsites, allowing for a variety of community events. Other operations managed by this work unit include Volunteer Management, Canine Recreation, Adopt-a-Park/Adopt-a-Trail program, and Safety programs (e.g. liaisons to Risk Management regarding employee and participant accidents, manages inspections, safety equipment and supplies, etc.).

Park Planning

Park planning includes a wide range of planning management for existing facilities, including 69 parks, covering almost 3,000 acres, the surrounding park area for the City's ten recreation centers, and 30 miles of greenway trails. It also provides planning for several major regional facilities including the Armory, Spruce Pine Lodge, West Point on the Eno, Little River Lake and Lake Michie. Staff in this unit also directs the department's land acquisition, public meetings, development review, and liaison with General Services' project management division. This unit is also responsible for ongoing park planning, including master planning, cultural/historical planning and natural resource planning.

Recreation Programs and Events

Outdoor Recreation and City Lakes

This unit conducts outdoor adventure programs and trips, and environmental education classes. Staff interact with other community agencies to develop a wide array of outdoor activities for youth and teens throughout the community. The unit operates a Low Ropes Challenge Course at Spruce Pine Lodge and a High Ropes Discovery Course at Bethesda Park, where participants focus on experiential learning. This unit makes a concerted, strategic effort to introduce young people into positive and satisfying activities that encourage their personal growth and help them meet challenges. Lake Michie and Little River Lake offer outdoor activities such as boating, fishing, hiking, camping and picnicking.

Aquatics Programs

The Aquatics unit is responsible for the operation of five city aquatic facilities, including three indoor aquatic centers (Campus Hills Pool and Edison Johnson Aquatic Center), and two seasonal outdoor pools (Forest Hills Pool, Long Meadow Pool, and Hillside Pool). This unit offers both structured and unstructured aquatic activities such as swim lessons, fitness programs, recreational swim and lap swim, and safety trainings. The aquatics unit is also responsible for aquatic facility rentals. The goal is to provide aquatic programs in sufficient quality and diversity that appeal to all of Durham's residents.

Athletics

Athletic activities are offered for participants of all ages, beginning at age three. Athletic leagues and tournaments are offered in a variety of sports, including basketball, softball, tennis, flag football, pickleball, soccer and volleyball. The unit also works cooperatively with local athletic associations and leagues to offer an even wider range of active sports. The unit manages athletic fields (baseball, softball, soccer, multipurpose) and courts (tennis, basketball) for the department.

Events and Outreach

This unit is responsible for planning and executing special events for the Durham community including Earth Day, Bimbé Cultural Arts Festival, the "Rock the Park" series providing movies and concerts within City parks, Latino Festival, Holiday Fun Fest, and the Senior Holiday Party. Staff also assists with the coordination of Durham Senior Games, and the July 4th Celebration. Outreach programs offer structured opportunities and classes at central locations to residents who have interests in a particular area. Outreach Coordinators assist the department in developing and marketing outreach programs specifically to the Latino community. Staff coordinates the collaborative efforts of the department to reach out to community agencies, developing partnerships for a more efficient use of available resources.

Heritage Parks/Cultural Programs

The City has several National Register Historic sites in its park portfolio, including West Point on the Eno Park, which offers passive recreational opportunities (hiking, fishing, picnicking), tours of the functioning mill and the McCown Mangum House, a facility that may be rented for private events; and Leigh Farm Park, which re-opened in 2014 and has a historic nineteenth century farmhouse and outbuildings and extensive natural areas.

Recreation Centers

This unit includes the operations of the Edison Johnson, Walltown Park, W. D. Hill, Weaver Street and the Irwin R. Holmes, Sr. at Campus Hills Recreation Centers. It also includes the operation of department offerings at the

Community Family Life and Recreation Center at Lyon Park and provides recreation programs at the Holton Career and Resource Center. Teen enrichment programs are offered at these centers, i.e. performing dance and modeling groups, night flight basketball programs, etc. Also cultural programs are coordinated for families, including Kwanzaa, Black History Month, and the Martin Luther King, Jr. celebration. These centers also offer a wide variety of additional enrichment opportunities through fitness, performing arts, technology, and martial arts. Partnership programs, providing safe, structured recreational and educational activities are offered at the East Durham and W. I. Patterson Recreation Centers.

Special Programs and Mature Adults Programs

This unit provides recreational programs for adults and children with developmental and physical disabilities. The specialized programs include instructional, leisure, athletic and recreational activities. Special Olympic programs, programs for visually impaired participants, and outings are also offered. In addition to offering specialized programs, this unit facilitates oversight of inclusion by making accommodations within all other recreation programs. This unit is also responsible for coordinating programs for Mature Adults (55 and up), such as socials, trips, fitness, and the annual Durham Senior Games events.

Care Programs

After School programs for youth ages 5-12 are provided at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, W. D. Hill Recreation Center, and for ages 6-12 at the Holton Career and Resource Center. Also, After School programs are provided for adults and children with developmental and physical disabilities. "Explore" After School, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. Discover After School, for ages 5-21 offers opportunities to utilize existing skills or develop new ones. Typical after school activities are offered, including arts and crafts, sports, games and educational activities.

A variety of Summer Camp opportunities are provided for youth ages 5-12 at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, Community Family Life and Recreation Center at Lyon Park, Weaver Street Recreation Center, West Point on the Eno, W. D. Hill Recreation Center, W. I. Patterson Center, and East Durham Center and for ages 6-12 at the Holton Career and Resource Center. Teen Summer Camp programs for ages 13-17 are provided at Walltown Park Recreation Center, Forest Hills Park, and the Holton Career and Resource Center. DPR also provides a one-week "Volunteers in Training Camp". "Explore" Summer Camp, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. "Camp Journey", for ages 6-9, is an exciting summer camp serving children with disabilities who need a special environment in which to learn and grow.

Intersession camps are provided during "out of school" time for year-round students for three periods, three weeks each, during the year for a total of nine weeks of programming. Programs are offered 7:30 am – 6:00 pm daily for the fall, winter and spring sessions.

Fun Days are offered 7:30 am – 6:00 pm at various Recreation Centers throughout the year during planned public school closures. Activities including sports, games, arts and crafts, dance, etc. are provided.

Park Maintenance

Park Maintenance

The maintenance unit is responsible for mowing and maintaining athletic fields, parks, park and trail cleanup, inspections and minor repairs of parks, and special event set-up and support. Staff members implement and provide ongoing support of the department's maintenance management system with operational standards as adopted as part of DPR's accreditation process.

Custodial Services – Recreation Centers

To provide aesthetically pleasing recreation facilities for public use providing regular and frequently scheduled service and monitoring of DPR (large) Recreation Centers to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system. These services are provided at the following facilities: Edison Johnson Recreation Center, Edison Johnson Aquatic Center, W. D. Hill Recreation Center, Weaver Street Recreation Center, Irwin R. Holmes, Sr. Recreation Center, and the Walltown Park Recreation Center

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 8,119,930	\$ 8,880,984	\$ 8,697,394	\$ 9,644,323	8.6%
Operating	2,157,232	2,372,113	2,742,885	2,594,231	9.4%
Capital and Other	473,522	607,765	846,197	710,095	16.8%
Total Appropriations	\$10,750,684	\$11,860,862	\$ 12,286,476	\$12,948,649	9.2%
Full Time Equivalents	109	110	110	116	6
Part Time	82	82	82	82	-
Revenues					
Discretionary	\$ 9,559,809	\$10,624,662	\$ 11,089,478	\$11,717,449	10.3%
Program	1,190,875	1,236,200	1,196,998	1,231,200	-0.4%
Total Revenues	\$10,750,684	\$11,860,862	\$ 12,286,476	\$12,948,649	9.2%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Operational Services

General Fund: \$2,055,988

FTEs: 16

Administration	\$1,018,174, 5 FTEs
Budget, Finance, & Marketing	\$441,299, 5 FTEs
Personnel	\$120,956, 2 FTEs
Technology and Data Management	\$236,153, 2 FTEs
Park Planning	\$239,406, 2 FTEs

Goal: Thriving and Livable Neighborhoods; Innovative & High Performing Organization

Objective: To provide responsive and accessible recreation programs by increasing connectivity of programs and facilities with customers and partners. To provide professional management that is accountable, efficient, and transparent.

Initiative: Maintain quality staff at sufficient levels needed to insure programming in response to citizen demand. Review and update DPR's compliance documentation for the Commission for Accreditation of Parks and Recreation Agencies (CAPRA). Application of a consistent fee philosophy. Increase the collection and use of data and best practices to achieve operational excellence in core programs (i.e. evaluation tools, citizen satisfaction survey, etc.).

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Compliant with CAPRA standards	100%	100%	100%	100%
# of Participants receiving a discounted fee (through Program Fee Waiver or Sliding Fee Scale Program)	1,277	1,500	1,300	1,350

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Value of program fee waivers and Sliding Fee Scale discounts provided	\$496,950	\$650,000	\$530,000	\$550,000
# of Rentals (Organizations events, programs, meetings) receiving a discounted rental fee (through DPR's Facility and Field Fee Waiver Program)	108	100	100	100
Value of discounts provided to Organizations through DPR's Facility and Field Fee Waiver Program	\$123,954	\$100,000	\$105,000	\$100,000

Notes: The Sliding Fee Scale (SFS) provides for reduced fees for After School, Summer Camps, Intersession, and Fun Day programs). The scale is based on NC Health and Human Services poverty guidelines and is based on household income and #'s of persons residing in the household. Discounts are offered through this program that allow participants to pay 10%, 40%, or 70% of the total registration fee. Those in extreme hardship are granted a 100% waiver and attend the program at no cost. The Program Fee Waiver is available for the majority of all other registration based programs (not addressed under the SFS program). Under this program a 100% fee waiver available to participants if they are unable to pay. Verification is obtained through the Department of Social Services.

Program: Operations, Playground Safety, & Facility Reservations **General Fund: \$448,310**
FTEs: 4

Goal: Thriving and Livable Neighborhoods, Stewardship of City's Physical Assets

Objective: To provide opportunities for our community to utilize recreation facilities to host events, increase the number of picnic shelter rentals and improve the quality of customer service received by users of DPR's rental operations.

Initiative: Improve marketing efforts to educate the public about available facilities and improve maintenance in parks.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Picnic shelter rentals	609	525	540	525
# of Rentals at rental facilities (Armory, Spruce Pine Lodge, Forest Hills, and McCown-Mangum House)	354	350	340	350

Notes: Rental facilities include: Armory, Spruce Pine Lodge, Forest Hills, and McCown-Mangum House.

Objective: To provide aesthetically pleasing and safe playgrounds for public use and increase customer satisfactions and safety on DPR playgrounds.

Initiative: Development and Implementation of adopted service standards in accordance with national industry standards for public playgrounds. Provide routine inspection against these established standards and address deficiencies as necessary and as resources allow. Staff maintains CPSI (Certified Playground Safety Inspector) certification.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Inspections of playgrounds per year (57 playgrounds @ 3 times each)	177	171	171	171
% of Playgrounds in compliance with minimum safety surfacing requirements	100%	95%	100%	95%

Program: Recreation Program and Events **General Fund: \$6,967,339**
FTEs: 57

Outdoor Recreation	\$313,208, 3 FTEs
Aquatics	\$1,006,162, 8 FTEs
Athletics	\$733,551, 6 FTEs
Events and Outreach	\$570,165, 3 FTEs
Heritage Parks	\$218,452, 2 FTEs
Recreation Centers: East Durham, WI Patterson, TA Grady, Walltown Park Recreation Center, IR Holmes, Sr. Recreation Center at Campus Hills, Edison Johnson Recreation Center, Community Family Life and Recreation Center at Lyon Park, Holton Career and Resource Center, and Weaver Street Recreation Center	\$2,669,708, 26 FTEs
Special Programs/Mature Adults	\$603,196, 7 FTEs
Care Programs (After School, Summer Camps and Intersession)	\$852,897, 2 FTEs

Goal: Thriving and Livable Neighborhoods

Objective: To provide responsive and accessible recreation programs, increasing the number of participants who actively participate in activities/courses and events offered by DPR, through a wide variety of quality, specialized program areas as indicated in the program unit list provided.

Initiative: Alignment of Recreation Program Plan with the adopted Master Plan and Department's Strategic Plan. Update and support the departments marketing and communications plan to reach a range of audiences. Campaign to educate the public about programs offered by DPR and of fee programs that help those that cannot afford the full program fee. Pilot program at Holton Career and Resource Center for "no cost" programming (excluding rentals, Care Programs, and Leagues). Continue to provide translation of DPR marketing materials into Spanish. Increase feedback opportunities (through surveys at conclusion of each program, through community meetings, etc.) that allow for DPR to collect data pertaining to the interest of the community (what programs are in demand) and to determine successes and areas that require attention. Insure staffs are knowledgeable about provision of quality programming and remain up to date on current programming trends.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# of Recreational opportunities offered	2,172	2,000	2,100	2,000
# of Individual participants served (registered programs and leagues)	27,629	22,000	28,000	27,000
# of Special events offered	45	40	42	40
% of Registered Course opportunities offered that met minimum registration requirements	78%	80%	76%	80%
% of Activities/courses exceeding maximum # of registrations allowed (participants waitlisted)	10.0%	11.0%	10.0%	11.0%
% of Participants (responding to evaluation surveys) rating programs attended as having "met" or "exceeded expectations"	90%	90%	90%	90%
% of Participants (responding to evaluation surveys) rating events attended as having "met" or "exceeded expectations"	90%	90%	90%	90%
Program: Park Maintenance			General Fund: \$2,941,503	FTEs: 29
Goal:	Thriving and Livable Neighborhoods; Stewardship of the City's Physical Assets			
Objective:	To provide aesthetically pleasing and safe parks {and recreation facilities} for public use providing regular and frequently scheduled service and monitoring of DPR facilities to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.			
Initiative:	Implement and provide ongoing support of the department's maintenance management system with operational standards as adopted as part of DPR's accreditation process. In the adopted Maintenance and Operations Plan, parks are assigned a level of service based upon usage from high to low (green, blue, and orange levels). City Works, a work order tracking system, is being implemented late in FY16. Fully functional in FY17, this software will allow easier access to data from our Maintenance Operations and with analysis, for more efficiencies.			

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Parks that are mowed in adherence with adopted standards as part of the DPR Operations and Management Plan	55%	80%	75%	80%
% of Participants (responding to evaluation surveys) that rate condition of City parks and/or ball fields as having "met" or "exceeded expectations" (DPR survey targeting "booked" users)	88%	90%	90%	90%

Program: Custodial Services - Recreation Centers

General Fund: \$535,509

FTEs: 10

Goal: Stewardship of the City's Physical Assets

Objective: To provide aesthetically pleasing recreation facilities for public use providing regular and frequently scheduled service and monitoring of DPR (large) Recreation Centers to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.

Initiative: Development and Implementation of adopted service standards in accordance with national industry standards for recreation facilities. Provide routine inspection against the established standards and address deficiencies as necessary.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Participants (responding to evaluation surveys) rating cleanliness of facility as having "met" or "exceeded" expectations	95%	95%	95%	95%

BUDGET ISSUES FOR FY 2016-17

- Achieving desired maintenance standards within existing resources for athletic fields, park cleanup, and custodial services in recreation centers to address priorities identified in the resident satisfaction survey.
- Dealing with aging recreation facilities and the continuing effects of deferred maintenance on those facilities.
- Ensuring all programs and facilities are as accessible as possible for all Durham residents.
- Maintain the department's national accreditation status by adhering to CAPRA (Commission for Accreditation of Parks and Recreation Agencies) standards. DPR will be submitting a request for re-accreditation for 2018, per the 5-year renewal.
- Upgrading the department's recreation software solution system (CLASS). This system allows automation of program and league registrations, facility booking, pass sales, etc. The vendor has provided notification of "end of support" for the current solution effective December 2017. The department is researching options for upgrading the current system.

ACCOMPLISHMENTS FY 2015-16

- As part of the efforts to increase connectivity of programs and facilities with customers and partners, DPR entered into an agreement with the Achievement Academy for their usage of the W. I. Patterson Recreation Center. The agreement with East Durham Children's Initiative for their usage of the East Durham Recreation

Center and the Durham Housing Authority lease for their usage of the T. A. Grady Recreation Center continued for the year.

- KaBOOM!, a national non-profit dedicated to bringing play back into children's lives, honored Durham, as a Playful City USA for the seventh straight year.
- A new playground and park amenities were installed by community and staff working with a grant from KaBOOM! Foundation at Red Maple Park.
- The ballfield at Red Maple Park was refurbished through a donation of services from Project Evergreen with volunteers from Brightview and the community. DPR replaced the outfield fencing and the backstop.
- Interior park bathroom renovations: including Forest Hills, West Point on the Eno, East End and Northgate Park.
- The Durham Parks Foundation, an independent non-profit organization to advocate and collect funding for parks, programs, special events, trails, and open space, received the IRS official notice as a 501(c)(3) this year.
- Implemented a department Cityworks domain in conjunction with the City's enterprise work control system. This allows for automating the park maintenance work orders and data tracking for the department. Project also included implementation of Freeance Mobile, a mobile application that allows management of work orders in the field.
- Implemented KRONOS, a workforce management solution for automation of timekeeping allowing for the achievement of desired consistencies and efficiencies, minimization of compliance risks, and control of labor costs.
- The Priority Trails Pamphlet (5) was completed with an external vendor, Alta. This data provided 5 prioritized trails with solid costs, potential issues, and time frame for project. This information is being utilized for future budgetary planning.
- Parks Connecting Communities grant through NRPA provided for a new playground at the Holt School Road Park, built with community partners and neighbors. Funding partners for the initiative included ABC11 and Disney.

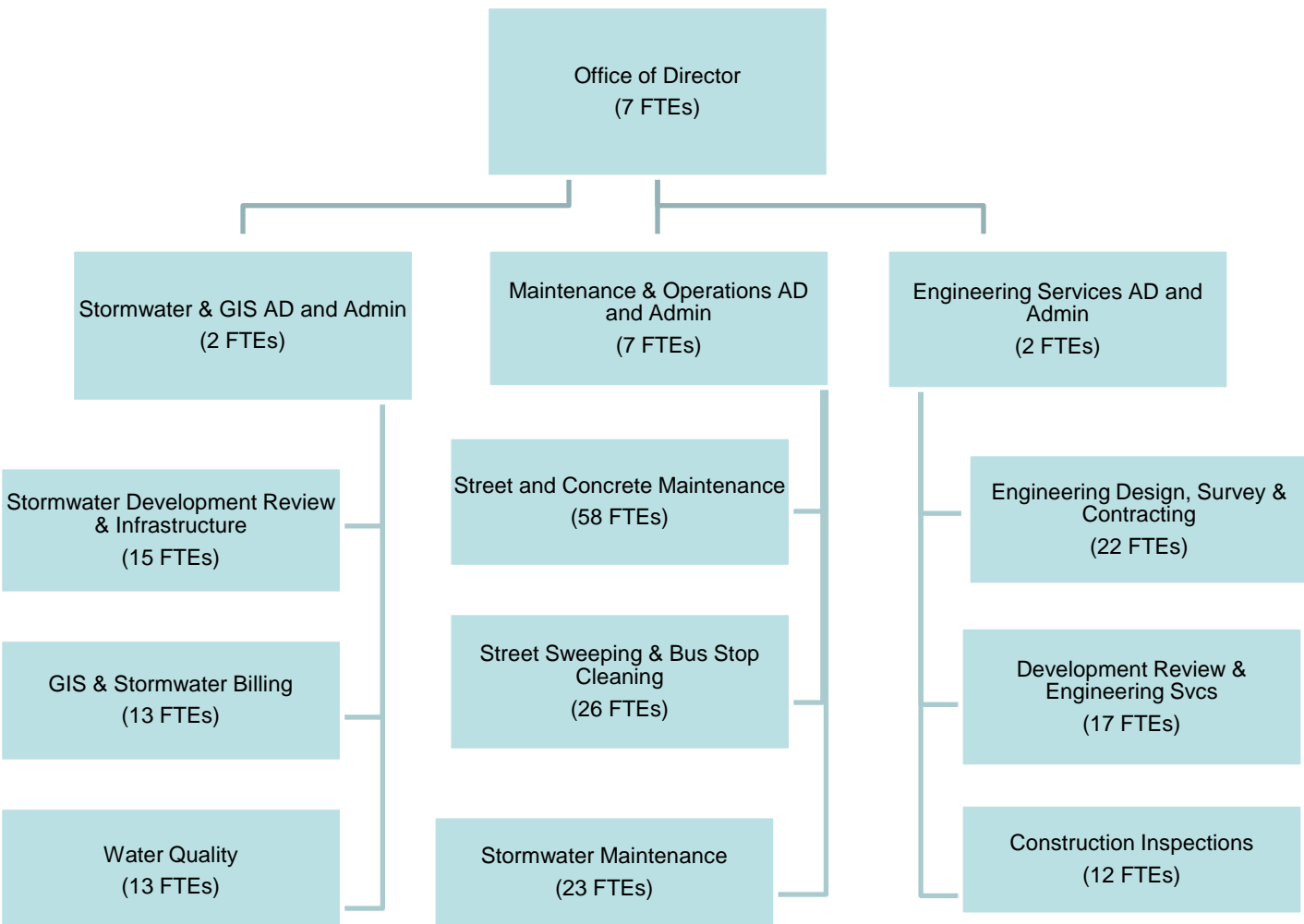
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Increase connectivity of programs and facilities with customers and partners. Continue collaboration with community partners and prioritize relationships with similar agencies toward common community goals.
- Reallocate resources from programs not meeting minimum registration requirements to support offering new and trendy programs and services identified through public input in the development of the Master Plan.
- Enhance and expand marketing efforts to increase participation.
- Diversify offerings to include activities in parks that are designed to strengthen communities.
- Complete a Trails Condition Assessment initiative of our 30+ miles of existing trails. This project will help the department to prioritize maintenance issues for all trails, including solid costs, potential issues, and time frame for implementation.
- Analyze impact of a pilot program, offering "free" program opportunities at the Holton Career and Resource Center in an effort to increase participation in the Center by the community and remove any perceived barrier relating to fees prohibiting access to programs. (Program excludes rentals, Care Programs, and athletic leagues.)
- Continue efforts with ½ Penny funding to maintain trails, park landscaping, pave park driveways, renovate park bathrooms; and repair fencing in parks.
- DPR will continue targeted efforts on four programming areas identified in the Master Plan and in our departmental Strategic Plan, including 1) Teens; 2) Health and Wellness; 3) Parks Connecting Neighbors; and 4) Marketing.
- A new playground and park amenities will be installed by community and staff working with a grant from KaBOOM! Foundation at Crest Street Park.
- Parks Connecting Communities grant through NRPA will provide \$20,000 in funding for a park renovation project. Funding partners for the initiative includes Disney, ABC11 and ESPN.



Public Works

(217 FTEs)



PUBLIC WORKS

Purpose Statement:

To operate, maintain and improve the City's street and utility infrastructure and programs in a manner that cost effectively enhances the community's livability.

DEPARTMENT DESCRIPTION

Public Works Department

General Fund: \$10,309,571
Water and Sewer Fund: \$3,585,684
Stormwater Fund: \$22,760,160
217 FTEs

Engineering Survey, Design and Contracting

This program provides full scale engineering services to all Public Works Divisions as well as other City of Durham Departments. Services provided include field surveys, utility location, engineering design, acquisition of permits, contract management, project management, project consulting, and public hearings on proposed projects. The projects include streetscapes, pavement preservation, new street construction, existing street reconstruction, water and sewer extensions, new sidewalks, sidewalk repair and traffic calming.

Paved, Dirt Street and Sidewalk Maintenance

This program has responsibility for public roadway maintenance, street repaving, alley maintenance and sidewalk maintenance within the City. This program completes water and sewer utility cut repairs within the City. Street Maintenance also plans and executes the City's winter weather plan and assists other departments in debris removal operations from natural disasters.

Stormwater Quality

The Stormwater Quality Program management manages projects to improve surface waters through compliance with a National Pollutant Discharge Elimination System (NPDES) permit, Neuse River Nutrient Sensitive Waters Management Strategy, Jordan Lake Rules, Falls Lake Rules, and Water Supply Watershed Protection Rules. Program implementation is monitored and reported to regulatory agencies. The program provides industrial inspections and enforcement, municipal inspections and education, chemical, biological and hydrologic monitoring, and public education. The program detects, investigates and eliminates unauthorized connections and illegal discharges. The program also reviews and comments on proposed stormwater control measures (SCM's), water quality legislation, federal/state rule development, development of ordinances and implementation plans for federal and state rules. In addition, this program supports the development of watershed plans and implementation of those plans; and evaluates the compliance of public and private SCM's, coordinates stream restoration activities, and implements water quality projects.

Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning

The program maintains the stormwater drainage system within the City's Right-of-way (ROW). Other services include catch basin maintenance and repair, mechanical sweeping, carcass removal from City streets and vet hospitals, and litter removal from ditches, sidewalks, downtown areas and other public street ROW. This program also provides support during severe winter weather events by assisting with snow removal operations and roadway pretreatment operations. Bus Stop Cleaning provides general cleaning services and trash collection for all city bus shelters.

Engineering Inspections

This program provides inspections services for street construction and rehabilitation, water, sewer and stormwater infrastructure that is built by private developers, through City contracts, or through NCDOT contracts. The Inspections Group provides front-line assurance through every stage of the construction process that new installations are in accordance with all applicable local and state construction standards. They further assure a sustainable and reliable infrastructure by reviewing as-built infrastructure drawings and digital submittals for construction projects, and review and track surety bonds and other financial instruments posted by the development community in conjunction with obtaining plat approval for the projects.

Stormwater Infrastructure and Development Review

The Stormwater Infrastructure group is responsible for non-routine repair and improvement of stormwater infrastructure, drainage and floodplain customer response, and floodplain management services. The Drainage Projects Unit (DPU) provides for the evaluation, design, contracting, and project/construction management for stormwater infrastructure projects involving City Right-of-way (ROW), City owned property, and private drainage assistance. The Drainage and Floodplain Unit (DFU) investigates and responds to customer inquiries regarding private drainage/flooding issues and floodplain information requests, provides technical support for the National Flood Insurance Program (NFIP), coordinates flood mitigation grant submittals, and processes private drainage assistance requests.

Stormwater Development Review ensures new development is in compliance with applicable federal, state, and local stormwater regulations. This is achieved by reviewing development plans (zoning, site plans, preliminary plats, construction drawings, and final plats), stormwater impact analyses and engineering calculations. It also includes ensuring proposed structural stormwater BMPs proposed are properly constructed through construction oversight, an as-built plan/certification program, and by obtaining proper construction securities. Additionally, Stormwater Development Review ensures post-development stormwater compliance through education and the BMP Maintenance Certifier program, which includes annual inspection reports for BMPs, inspections, and enforcement.

GIS & Billing

The GIS & Stormwater Billing program maintains GIS mapping data for the City which includes data on street centerlines, sidewalks, the stormwater system, and the water and sewer collection and distribution system. This data set is utilized by the Emergency Communications, water and sewer maintenance personnel, stormwater maintenance personnel, engineers, planners, developers, and citizens. In addition, this program is responsible for all aspects of billing for the stormwater utility, including customer service inquiries, bill verification and adjustments, new fee implementation, mapping of stormwater impervious areas within the City limits for purposes of stormwater bill calculation, and the acquisition of satellite imagery and impervious area extraction for quality control purposes. The program supports and maintains the Azteca Cityworks software which is utilized City-wide to track incoming service requests; along with labor, equipment, and material costs associated with work done by Public Works staff and various City departments.

Engineering Development Review

Development Review provides a centralized location for the most common public works customer needs, from new commercial and residential development, to customer questions and concerns about water and sewer service, infrastructure petitions, and assessments. This program provides a location for the receipt, tracking, distribution, and pickup of Public Works permits, inspection requests, as well as payment of all Public Works fees and construction securities. Such permits include water, sewer, storm and street authorizations to construct, and permits for public and private projects. Additional services include the review of development plans in coordination with other City, county and state departments and agencies.

Office of the Director

The Office of the Director provides administrative, financial and technical planning as well as leadership support for all programs in the department. This office maintains, analyzes and reports on performance measures and other data for the department. This office also provides policy direction, financial monitoring, safety management and human resource leadership for the department.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$13,053,955	\$14,262,325	\$14,026,466	\$15,674,279	9.9%
Operating	3,575,234	4,237,649	5,360,004	7,035,881	66.0%
Capital and Other	875,910	9,200	9,704	50,000	443.5%
Transfers	-	-	-	-	0.0%
Total Appropriations	\$17,505,099	\$18,509,174	\$19,396,174	\$22,760,160	23.0%
Full Time Equivalents	213	213	213	217	4
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 5,982,594	\$ 6,492,310	\$ 6,568,760	\$ 8,616,153	32.7%
Program	985,344	606,000	1,342,000	1,693,418	179.4%
Total General Fund	\$ 6,967,938	\$ 7,098,310	\$ 7,910,760	\$10,309,571	45.2%
Water and Sewer Fund	3,162,117	3,285,757	3,410,904	3,585,684	9.1%
Stormwater Fund	7,375,044	8,125,107	8,074,510	8,864,905	9.1%
Total Revenues	\$17,505,099	\$18,509,174	\$19,396,174	\$22,760,160	23.0%
Total Budget	\$18,848,022	\$18,509,174	\$19,396,174	\$22,760,160	23.0%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Engineering Survey, Design and Contracting **General Fund:** \$2,654,182
Water & Sewer Fund: \$1,349,831
FTEs: 22

Goal: Stewardship of the City's Physical Assets and Safe and Secure Community

Objective: To ensure that streets are repaved efficiently and effectively and other data is collected in support of a safe and secure community.

Initiative: Maintain City infrastructure through the efficient use of contractors.

	Actual FY15	Adopted FY16	Estimated FY 16	Proposed FY 17
Measures:				
Street repaving lane mile contracted cost	\$98,300	\$100,000	\$245,000	\$200,000
Linear feet of new sidewalk constructed	1635	7,000	800	6,195
New sidewalk construction cost per linear foot	\$229	\$200	\$190	\$200

Program: Paved, Dirt Street and Sidewalk Maintenance **General Fund:** \$6,114,411
FTEs: 65

Goal: Stewardship of the City's Physical Assets

Objective: To ensure streets are safe for travel and well maintained.

Initiative: Provide timely and efficient repair of City infrastructure.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY 16	FY 17
# of potholes repaired	2,396	2,100	1,600	1,600
Average cost per pothole	\$60	\$75	\$80	\$75
% of potholes repaired within 3 business days	62%	90%	60%	90%
Linear feet of sidewalk repaired	8,372	7,000	3,300	5,000
Average cost per linear foot for sidewalk repaired	\$16	\$40	\$25	\$40

Program: Stormwater Infrastructure and Development Review

Stormwater Fund: \$1,949,379
FTEs: 14

Goal: Stewardship of City's Physical Assets

To protect and restore the drainage system, preserve and maintain floodplain function, and provide technical

Objective: reviews and assistance with drainage and floodplain issues.

Initiative: Provide timely technical assistance to stormwater infrastructure customers and complete stormwater infrastructure projects.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% of routine drainage service requests addressed within one month	92%	90%	90%	90%
Average cost to address a routine drainage service request	221	\$240	300	\$250
% of Annual SCM Inspection reports submitted	96%	90%	94%	90%

Program: Stormwater Quality

Stormwater Fund: \$1,680,019
FTEs: 15

Goal: Stewardship of City's Physical Assets

Objective: To ensure that surface water quality is in compliance with the NPDES permit.

Initiative: To provide timely water quality investigation, control pollution sources and follow up on violations discovered.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Rolling Water Quality Index	77	80	79	80
# Pollution sources controlled	168	120	120	120
# Business days needed to issue violation letter/referral	2.31	4	4	4

Program:	Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning	Stormwater Fund:	\$3,982,848
		FTEs:	52
Goal:	Stewardship of the City's Physical Assets		
Objective:	To ensure the storm drainage system is inspected and maintained per NPDES.		
Initiative:	To provide stormwater drainage system maintenance as required by the NPDES permit.		

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Linear feet of storm drain videoed (10% required per NPDES permit)	23,477	36,800	41,353	45,000
Linear feet of storm water pipe flushed	44,871	64,000	60,000	60,000
Curb miles cleaned/swept	28,892	20,000	26,000	20,000

Program:	GIS & Stormwater Billing	General Fund:	\$177,458
		Stormwater Fund:	\$770,779
		Water & Sewer Fund:	\$233,573
		FTEs:	12
Goal:	Well-Managed City and Stewardship of City's Physical Assets		
Objective :	Provide seamless service, project a positive image of the City, and manage the following GIS Layers: water, sewer, stormwater, street, sidewalk, City limits, curb ramps, emergency snow plow routes, and street sweeping routes.		
Initiative:	Manage stormwater billing program and stormwater revenues and efficiently manage GIS updates.		

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
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Stormwater billing - % of stormwater adopted target revenue billed	104.00%	100.00%	100.00%	100.00%
GIS - % of digital submittals input within 20 business days of approval	90%	90%	90%	90%

Program:	Engineering Inspections	General Fund:	\$441,702
		Water & Sewer Fund:	\$893,726
		Stormwater Fund:	\$190,940
		FTEs:	16

Goal: Strong and Diverse Economy

Objective: To ensure that City infrastructure complies with all City codes and laws.

Initiative: To complete accurate inspections in a timely and efficient manner.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Linear feet of public infrastructure inspected and accepted	527,572	3,500,000	472,000	375,000
# Private utility permits issued	1,212	1,000	1,300	1,000
Right of Way and Certificate of Occupancy completed in 48 hrs for Commercial and Residential Construction	100%	100%	100%	100%

Program:	Engineering Development Review	General Fund:	\$578,702
		Water/Sewer Fund:	\$893,726
		Stormwater Fund:	\$290,940
		FTEs:	16

Goal: Strong and Diverse Economy; Thriving, Livable Neighborhoods; Well-Managed City; Stewardship of City's Physical Assets

Objective: To provide timely responses for development topics: water, sanitary sewer, street, stormwater conveyances and control measures, plan approval, permitting, and all customer service activities for the Public Works Department.

Initiative: To monitor and track customer service and routing accuracy and timeliness.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
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Engineering Development Review: Total Number of plans/items reviewed	2,593	1,850	3,000	1,850
Engineering Development Review: Percent of plans/items reviewed on time	85%	90%	75%	90%
Engineering Development Review: Total number of Customers	21,153	18,000	22,000	18,000

Program: Office of the Director	General Fund:	\$343,116
	Water & Sewer Fund:	\$214,828
	Stormwater Fund:	\$223,779
	FTEs:	5

Goal: Innovative and High Performing Organization

Objective: To drive operational initiatives, departmental safety and overall departmental effectiveness.

Initiative: Promote the satisfaction and safety of citizens and staff.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of Citizens rating the condition of streets in their neighborhood as good or very good	N/A	60%	63%	60%

BUDGET ISSUES FOR FY 2016-17

- A stormwater rate increase will not be proposed, pending review of the implementation dates of the Fall and Jordan Lake rules by the State of North Carolina. Once revised implementation dates for water quality standards have been established by the State, the DPW will review the rate model to address future CIP needs.
- The department continues to refine performance measures for FY17. Measures proposed for the budget book have been further reduced and simplified to help give the public a clearer view of the department's activities and performance. Numerous internal measures have been refined to aid management in guiding both the day-to-day operations and long-term strategic direction of the department.
- Completion of the streets in various failed and/or struggling developments appear to nearing a resolution and will most likely be addressed in two (2) of the larger failed developments during the next fiscal year.
- Requests from citizens for street and sidewalk improvements continue to grow. Additional funding will be required to support these requests.

ACCOMPLISHMENTS FOR FY 2015-16

- Completed an inventory and assessment of the City's existing sidewalk repair needs with respect to the currently proposed national ADA/PROWAG guidelines.
- Completed two (2) stormwater control measures (SCMs) for category 4 failed developments (Windemere Ridge Townhomes & Northern Way Subdivision).
- Substantially completed construction of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Completed design and began construction of the Carver Street Extension.
- Completed design of the Fayetteville/Buxton/Riddle intersection realignment.
- Resurface through contracts 4.4 lane miles of road to help increase road integrity and raise the PCI rating of each segment.
- Repair or replace 12,000 linear feet of sidewalks through the use of contracted services.
- Completed three quarterly seminars for the development community on changes to design, construction and as-built characteristics of development within the City.
- Completed the Little Lick Creek Watershed Plan.
- Begin work on Small Scale Residential Stormwater Retrofits Project.
- Completed 35 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Completed the design of the Third Fork Creek Stream Restoration Project.
- Completed the East Main Street Culvert Stabilization Project.
- Began operation of pilot Algal Turf Scrubber project to address stormwater nutrient reduction requirements.
- Contracted with United States Geological Survey (USGS) for lower Ellerbe Creek Groundwater/Surface water interaction study
- Contracted for nutrient loading study
- Began Rain Catchers post-installation monitoring. Monitoring is expected to continue through FY2017.
- Complete monitoring of permeable pavement on clay soil as part of a joint project with NC State University.
- Issued request for bids for nutrient credits for Falls Lake Rule compliance
- Integrated mobile technology (laptops, tablets, etc.) within the Maintenance division. Stormwater Quality began testing mobile technology for investigations and inspections.
- Completed flushing of 65,000 linear feet of stormwater pipes.
- Began the development of a comprehensive safety and training program for all divisions within the department.
- Repaired and replaced 7,500 linear feet of damaged sidewalks city-wide.
- Completed repairs to three city-owned SCMs under the correction period in contract SWM 2013-01
- Continued additional enforcement measures to improve SCM maintenance and post-construction compliance
- Updated various sections and checklists in the Reference Guide for Development to reflect latest stormwater requirements and procedures
- Water Meters /Laterals/Taps: Approximately 51K meters added to the GIS from GPS results collected during AMR (Automated Meter Replacement) contracts. Approximately 42K associated taps and laterals added as well.
- Databases: New Water Quality Investigations database operational. Stormwater Outfall Screening database updates completed and operational. Fire Department Hydrant Inspections moved to CityWorks.
- All utility databases (Water/Sewer/Stormwater) rebuilt. Database replication to enterprise GIS system enabled.
- Completed Module I of Heavy Equipment Operator Assessments and Training with Gregory Poole Caterpillar
- Revised Departmental Performance Standards
- Completed Employee Satisfaction Survey
- Completed concrete parking lot repairs at Durham Station
- Completed a series of ITRE Safety Training
- Upgraded security system at Public Works Operations Center
- Made significant reductions in key expenditure accounts
- Increased production in key road maintenance categories
- Milled and Paved over 6500 tons of asphalt\Flushed over 30,000 linear feet of storm drain pipe so far in FY-15
- Videoed over 20,000 linear feet of storm drain pipe so far in FY-15
- Repaired over 6500 linear feet of concrete sidewalk so far in FY-15
- Swept over 12,500 curb miles of roadway so far in FY-15
- Excavated over 13,500 linear feet of roadside ditches so far in FY-15Flushed over 30,000 linear feet of storm drain pipe so far in FY-15Videoed over 20,000 linear feet of storm drain pipe so far in FY-15Repaired over

6500 linear feet of concrete sidewalk so far in FY-15 Swept over 12,500 curb miles of roadway so far in FY-15
Excavated over 13,500 linear feet of roadside ditches so far in FY-15

- Installed two grassed bioretention areas at two different fire stations for NPDES permit compliance

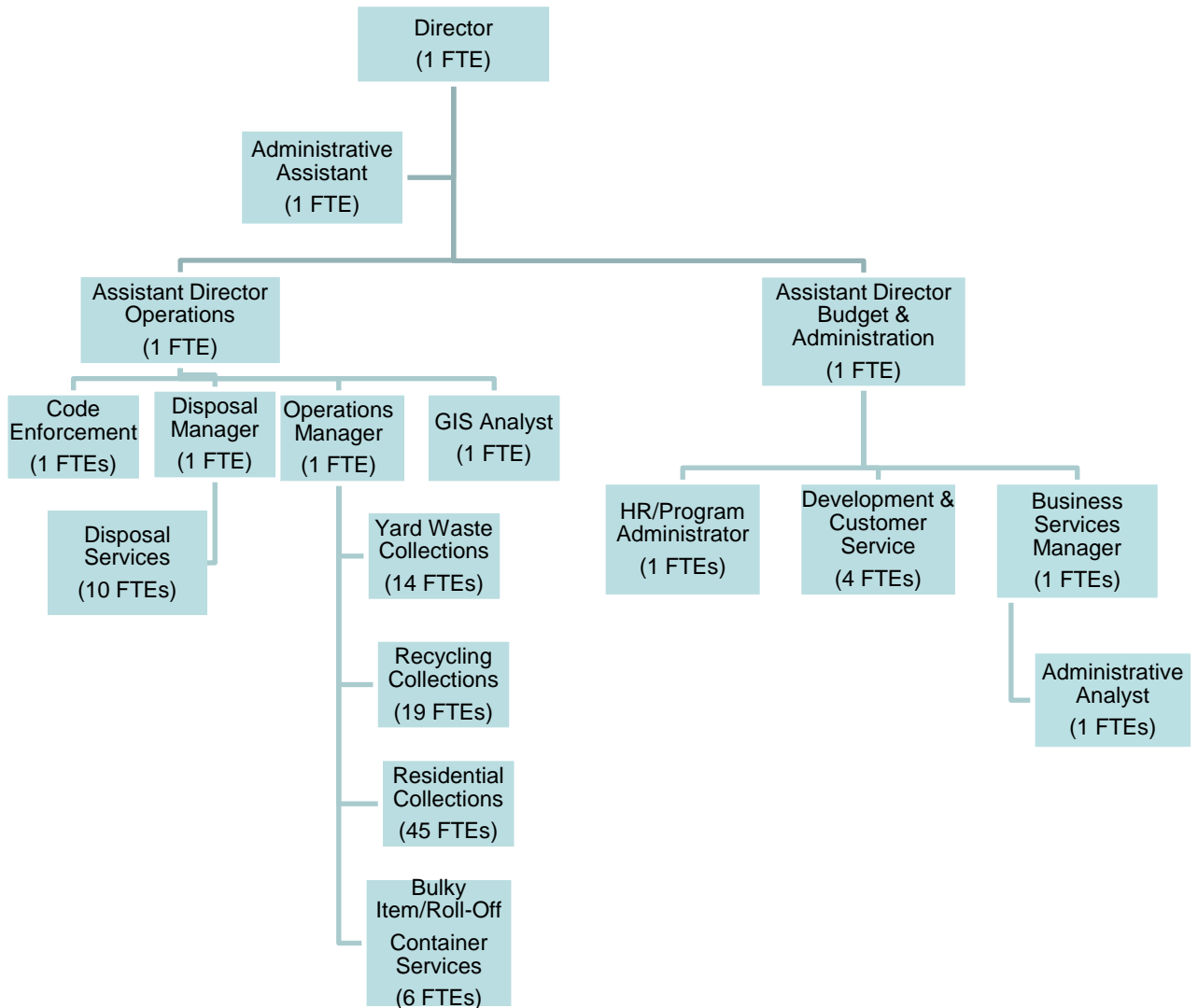
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Complete 35 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Complete the construction for the Third Fork Creek Stream Restoration Project.
- Issue an RFP for on-call stormwater professional services.
- Issue RFP for the design of the South Ellerbe Creek Wetland Project.
- Complete two major rehabilitation and repairs to City-owned stormwater control measures.
- Begin work on the Eno River watershed plan.
- Continue work on Small Scale Residential Stormwater Retrofits Project.
- Continue operation of Algal Turf Scrubber pilot project and extend operation by at least 3 months.
- ; develop a multi-year sidewalk maintenance plan that ensures compliance with currently proposed national ADA/PROWAG guidelines.
- Develop and refine a multi-year pavement preservation and rehabilitation program.
- Complete construction of a draining issue at E. Peabody Street as part of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Begin construction of the Carver Street Extension.
- Begin construction of the Fayetteville/Buxton/Riddle intersection realignment.
- Resurface through contracts 2 miles of road to help increase road integrity and potentially raise the PCI rating of each segment.
- Repair or replace 12,000 linear feet of sidewalks through the use of contracted services.
- Begin development of a comprehensive asset management plan for streets, sidewalks, bridges, and stormwater infrastructure.
- Begin nutrient load monitoring study
- Begin lower Ellerbe Creek groundwater/surface water interaction monitoring
- Update and enhance the on-line Monitoring Data Web Portal that stores water quality monitoring data.
- Issue new chemistry laboratory support and benthic macroinvertebrate monitoring contracts.
- Begin construction/remediation of nine (9) SCMs for category 4 failed developments
- Begin rehabilitation of City owned wetland and level spreader/vegetated filter strip
- Complete 3 seminars providing professional development hours to the design and development community.
- Increase enforcement efforts with NOVs, which include monetary penalties, for non-compliant BMP owners
- Update various sections of the Reference Guide for Development to reflect latest stormwater requirements and procedures
- Continue implementation of the Public Works STEM YouthWork Internships
- Address needs of users in Engineering Services through multiple internal process improvements and database development efforts to better support their efforts.
- Placement of 10,000 tons of asphalt through routine maintenance functions
- Repair 10,000 linear feet of concrete sidewalk through routine maintenance efforts.
- Excavate over 20,000 linear feet of roadside ditches
- Sweep 20,000 curb miles of roadway
- Video 60,000 linear feet of storm drain
- Institute a paperless work order process in maintenance
- Complete Module II of the Heavy Equipment Operator Certification training program with a contracted training vendor.
- Develop and implement PW/GIS Web Map services application, SW billing customer Web application.
- Mapping of all Gravel in city limits, develop raster identification process
- Upgrade and implement CityWorks enhancements



Solid Waste Management

(109 FTEs)



SOLID WASTE MANAGEMENT

Purpose Statement:

To provide industry leading waste collection, recycling and disposal services. We will be responsive, accountable, and dependable to the citizens of Durham.

DEPARTMENT DESCRIPTION

Solid Waste Management

Solid Waste Fund: \$15,455,515
109 FTEs

The Department is primarily responsible for the collection and disposal of residential municipal solid waste, and bulky items. The Department also provides curbside recycling services and subscriber-based yard waste collection and processing. Staff assures that all collection and disposal activities are performed in accordance with State regulatory mandates, City Manager directive and according to City Council goals.

The Department is committed to its vision of accomplishing our mission in a safe, efficient, cost effective and environmentally sound manner; and to be a leader in the solid waste industry.

Administration

The Administration division provides leadership, administrative and planning support for all solid waste management programs and divisions, including management of the Department's annual budget development process. This division directly administers all aspects of customer service to Durham's citizens, which includes service request management, providing information to the public, resolving internal/external service issues and maintaining the highest level of customer satisfaction.

Residential Collection

The Residential Collection division collects household waste in carts that are provided by the City. The carts are placed curbside by residential customers and some small businesses on a weekly basis. Fully automated and semi-automated vehicles are used to collect these carts. The division provides exempt services to residents who are physically unable to roll their carts to the curb for collection.

Yard Waste Collection

The Yard Waste Collection division collects yard waste on a weekly basis from customers who subscribe to this service. This division also provides Christmas tree collection to all households within the City limits. This program is designed to divert debris from the waste stream by recycling it into reusable earth products.

Curbside Recycling

The Curbside Recycling division provides single stream collection of recyclable materials to residents on a bi-weekly schedule. The Recycling Division collects recyclable materials in carts that are provided by the City. The Implementation of single stream recycling supported City Council's goals and the Department's mission of providing economical and environmentally safe collections of recyclable material. The division provides exempt services to residents who are physically unable to roll their carts to the curb for collection.

City Facilities and Downtown Collections

This cost is associated with services provided by the SWM Department to collect solid waste from all City-owned facilities, as well as residents and businesses in the "downtown loop" area that require stationary container services.

Bulky Item/Bulky Brush Collection

The Bulky Item Collection division is a weekly curbside collection service for residents who have large items, e.g. household appliances (white goods) and furniture that is too large to be collected by the residential collection

division, and quantities of brush too large to be collected by yard waste crews. The Bulky Item Division also provides limb and branch debris removal from streets following severe weather incidents. Collections are provided on a fee-for-service basis.

Code Enforcement Services

The Code Enforcement division responds to reported complaints to ensure compliance with solid waste management ordinances that support City Council's goals. This division interprets and enforces solid waste disposal and recycling ordinances, general statutes, and policies of the Department and the City of Durham.

Waste Reduction

The Waste Reduction division provides city-wide waste reduction education activities and programs. Each year, City staff provides educational programs and activities that target various public and private schools and community groups. This division strives to promote community awareness of recycling events throughout the community. In the absence of dedicated waste reduction staff, the department provides limited reduction, reuse and recycling outreach services, based on staff availability.

Transfer Station

The Transfer Station provides proper municipal solid waste (MSW) disposal services for Durham residents and visitors. The program includes oversight of the transfer station and associated contract management. This division maintains equipment assigned to the post-closure Land Clearing & Inert Debris (LCID) site. The division operates a Scale House which captures weights for all municipal solid waste disposal, recycling, and yard waste composting activities by way of its scale system. The number of customers served during the year and the weight of the waste and recyclable materials brought to either the transfer station or the yard waste facility flows through this cost center and determines payments by the City to its contractors. The Transfer Station also receives waste from commercial haulers, and Durham County and Orange County on a fee for service basis.

Convenience Center

The Convenience Center, located at the Transfer Station site, provides services associated with efforts to reduce the amount of waste that goes into a landfill, which is consistent with the City's recycling goals. Major activities include: white goods and other scrap metal recycling, scrap tire recycling, e-waste recycling (computer equipment and other electronics), and an active "swap shop", where reusable items are made available to the public at no cost. Other commodities such as used motor oil, automobile batteries, and cooking grease are accepted at the Convenience Center for reprocessing and reuse.

Yard Waste Composting Facility

The Yard Waste Composting Facility is permitted to receive up to 14,000 tons of yard waste material annually. Yard Waste is brought to the facility and ground into mulch and other "earth products" for reuse. This cost center captures labor, equipment, contractual services and other direct expenses associated with the operation of this facility.

Scrap Tire Disposal

The Scrap Tire Disposal program provides for collection and proper disposal of tires that are delivered to the convenience center. This program enables diversion of tires from the waste stream and provides an environmentally safe disposal service for discarded tires.

Hazardous Household Waste

The Hazardous Household Waste (HHW) program, located at the City's Transfer Station site, provides for special collection of items such as paints, solvents, household cleaners, pesticides, aerosols, and other similar waste products. These types of wastes, considered household hazardous waste, are unsafe to dispose of with regular trash and must be handled separately. The City provides for special collection of such items for citizens and residents of Durham, Orange, Wake, and Chatham Counties, on a drop-off basis, six days per week.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 6,145,282	\$ 6,336,488	\$ 6,563,942	\$ 6,589,035	4.0%
Operating	8,152,829	8,756,140	8,235,959	8,791,350	0.4%
Capital and Other	-	-	102,736	75,130	100.0%
Transfers	-	-	-	-	0.0%
Total Appropriations	\$14,298,111	\$15,092,628	\$14,902,637	\$15,455,515	2.4%
Full Time Equivalents	109	109	109	109	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 7,995,129	\$ 8,885,176	\$ 8,656,479	\$ 9,127,648	2.7%
Program	6,083,463	6,207,452	6,246,158	6,327,867	1.9%
Solid Waste Fund	\$14,078,592	\$15,092,628	\$14,902,637	\$15,455,515	2.4%
Stormwater Fund	219,519	-	-	-	0.0%
Total Revenues	\$14,298,111	\$15,092,628	\$14,902,637	\$15,455,515	2.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **Solid Waste Fund: \$1,154,845**
FTEs: 12

Goal: Innovative and High Performing Organization

Objective: Achieve exceptional customer service and a culture of professional development.

Initiative: Continuous communication updates to the City departments website, with accurate information, assuring that information regarding changes to departmental services are easily accessible.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% Collection complaints resolved within 48 hours	98%	99%	99%	99%
% Residents rating trash collection services as satisfactory or better	88%	N/A	88%	90%

Program: Residential Collection **Solid Waste Fund: \$3,710,102**
FTEs: 45

Goal: Thriving Livable Neighborhoods

Objective: Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.

Initiative: Increase the use of technology, best practices and training for field staff and managers.

Actual	Adopted	Estimated	Proposed
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Measures:	FY15	FY16	FY16	FY17
# Participating Households	70,583	71,200	71,500	72,600
Tons collected (Curbside)	50,459	47,800	53,000	53,011
Collection and disposal costs per collection point	\$1.48	\$1.42	\$1.53	\$1.49

Program: Yard Waste Collection **Solid Waste Fund:** \$1,271,504
FTEs: 14

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Provide Durham residents with an efficient program to dispose of earth products.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Yard Waste Subscribers	18,275	18,250	18,800	19,000
Tonnage collected	9,997	9,500	10,000	10,200

Program: Curbside Recycling **Solid Waste Fund:** \$1,607,327
FTEs: 19

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Provide Durham residents with an effective and efficient program to dispose of recyclable materials.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Participating Households	70,583	71,200	71,500	72,600
Tonnage collected	13,982	14,300	13,500	14,000

Program: City Facilities and Downtown Collections **Solid Waste Fund:** \$133,959
FTEs: 0

Goal: Thriving Livable Neighborhoods

Objective: Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

Initiative: Collection services in downtown area and City-owned facilities.

Program: Bulky Item Collection **Solid Waste Fund:** \$628,776
FTEs: 6

Goal: Thriving Livable Neighborhoods

Objective: Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

Initiative: Use of GPS technology to effectively manage timely collections, resources and personnel.

Actual	Adopted	Estimated	Proposed
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Measures:	FY15	FY16	FY16	FY17
# Bulky item/brush collections	38,814	36,000	36,000	36,000
% Bulky collection complaints resolved within 48 hours	99%	100%	100%	100%
Bulky Tonnage Removed	1,895	1,750	1,750	1,800

Program: Code Enforcement **Solid Waste Fund:** \$72,780
FTEs: 1

Goal: Thriving Livable Neighborhood

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Increased code enforcement officer's presence City of Durham communities.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Violations corrected by citizen within 30 days of notification	97%	95%	98%	99%

Program: Waste Reduction **Solid Waste Fund:** \$22,500
FTEs: 0

Goal: Thriving Livable Neighborhood

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Educate all citizens through educational forums, media outlets and planned events.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Educational events	19	15	15	15

Program: Transfer Station **Solid Waste Fund:** \$5,847,450
FTEs: 5

Goal: Innovative and High Performing Organization

Objective: Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.

Initiative: Education of public on recyclable materials and staff training on waste stream diversion.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Small users (cars/small trucks)	29,509	21,500	21,500	22,000
#Large users (hydraulic dump trucks)	39,460	34,000	34,000	35,000
Disposal costs per ton	\$37.56	\$37.69	\$37.96	\$38.03

Program: Convenience Center **Solid Waste Fund:** \$275,775

FTEs: 4

Goal: Thriving Livable Neighborhoods

Objective: Increase citizen's awareness and use of convenience center to dispose of recyclables.

Initiative: Increased outreach efforts through education and marketing.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% Waste stream diverted from landfill due to convenience center	3.0%	3.0%	3.0%	3.0%
Tonnage of appliance/scrap metal	392.00	380.00	380.00	380.00
White goods revenue	\$59,185	\$75,000	\$75,000	\$40,000

Program: Yard Waste Composting Facility

Solid Waste Fund: \$347,568

FTEs: 1

Goal: Thriving Livable Neighborhoods

Objective: Develop and implement strategies to promote environmentally sound practices (to include the diversion of reuse and recyclable products from the waste stream thus increasing the diversion rate).

Initiative: Train staff through a DENR-approved composting operations and maintenance certification program.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Tonnage of yard waste collected	14,534	14,000	14,840	15,020
Yard waste tipping fee revenue	\$118,630	\$106,000	\$119,250	\$127,730
Pounds of non-yard waste material entering the facility	69,200	45,000	60,000	45,000

Program: Hazardous Household Waste

Solid Waste Fund: \$155,819

FTEs: 1

Goal: Thriving Livable Neighborhoods

Objective: To divert household hazardous waste (HHW) away from the waste stream and out of the environment.

Initiative: Contract for safe disposal of household hazardous waste.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Pounds of HHW collected	289,298	260,000	320,000	295,000
# Pounds of E-Waste collected	266,401	350,000	350,000	230,000

Program: Scrap Tire disposal

Solid Waste Fund: \$227,110

FTEs: 1

Goal: Thriving Livable Neighborhoods

Objective: To divert tires from entering into the waste stream.

Initiative: Educational forums for citizens on tire disposal's impact on the waste stream and effective tire recycling.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
# Tons of tires collected	2,692	2,500	2,500	2,800
Tire disposal revenue (citizens)	\$3,656	\$2,500	\$2,500	\$2,500

BUDGET ISSUES FOR FY 2016-17

- Maintaining a high level of service as the City continues to grow.
- Development and implementation of new waste reduction and diversion measures following from Waste Characterization Study.
- Technological Improvements.

ACCOMPLISHMENTS FOR FY 2015-16

- New Transfer Station placed in service.
- Negotiated a more cost effective white goods and scrap metal recycling contract.
- Successful negotiation of new cart purchase and cart maintenance contracts.
- Hiring of new Assistant Director.

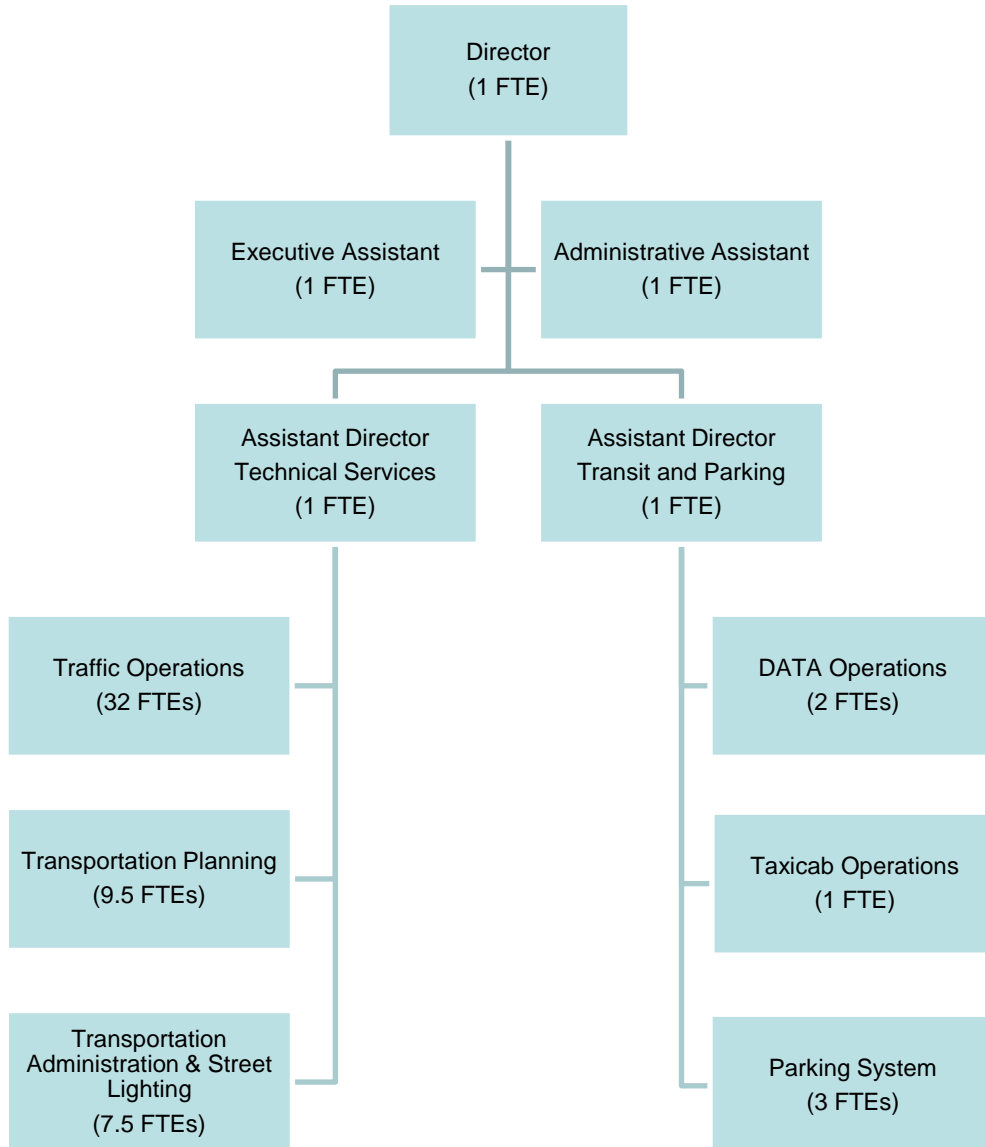
ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Greater diversion of waste from disposal.
- Implementation of more efficient collections through routing enhancements.



Transportation

(60 FTEs)



TRANSPORTATION

Purpose Statement:

To serve our citizens, businesses and visitors by ensuring a safe, efficient, accessible and convenient transportation system that meets our City's interests and enhances the quality of life of our citizens, today and into the future.

DEPARTMENT DESCRIPTION

Transportation Department

General Fund: \$ 8,030,660
45.5 FTEs
Transit Fund: \$20,071,073
Parking Fund: \$3,181,825
3 FTEs
Grant Funds: \$9,225,108
11.5 FTEs

Transportation Services

Transportation Services includes the Office of the Director, development review services, project planning, transportation planning, bicycle and pedestrian activities, and administration of the City's Passenger Vehicle for Hire program. Transportation Planning functions include fulfillment of federal and State requirements for comprehensive multimodal transportation planning, including updates of the Long Range Transportation Plan, transportation systems monitoring and reporting, travel demand model forecasting, bi-annual development of the Transportation Improvement Program, state and regional project coordination, and related Clean Air Act compliance. Services include administrative support for the Metropolitan Planning Organization's advisory Technical Committee and Policy Board. Transportation planning is funded primarily through grant funds with a City match. The City's Passenger Vehicle for Hire program includes issuance and regulation of operator and driver permits, vehicle inspections, driver training, and administrative support to the City Council's Passenger Vehicle for Hire Subcommittee and the Passenger Vehicle for Hire Commission.

Traffic Operations

Traffic Operations includes the operation and maintenance of the City's traffic signals, traffic control signs, street name markers, and pavement markings. This includes operation of the City's traffic signal computer system which coordinates signal timing operations throughout the City and adjacent urban area. Other functions include studies, design, and construction management of traffic signal and pavement markings projects.

Street Lighting

The Street Lighting Program includes the utility cost for nearly 21,000 street lights, which are owned and operated by the City's two electric service providers: Duke Energy Carolinas and Piedmont Electric Membership Corporation.

Transit

Transit service functions include the administration, planning and operation costs of the City's public mass transit system, GoDurham. Effective October 1, 2010 Triangle Transit assumed oversight responsibility for the City's fixed route and Paratransit services. This new arrangement includes former City staff as well as shared resources between the City and Triangle Transit and provides expanded and broad support for the City's transit system. The GoDurham fixed route service provides citizens with alternative transportation options and is essential to transit dependent riders which often includes senior citizens and students. The GoDurham Paratransit service (ACCESS) is a transportation option for citizens whose disabilities prevent them from using the fixed route service. Both services improve mobility, job access, and the quality of life within the community. Fixed route and ACCESS service is provided by a private contractor managed by GoTriangle.

Parking

Parking Systems Management is charged with managing every aspect of the City's public parking programs, including off-street and on-street parking system, the Controlled Parking Residential Area Program, operations, maintenance and facility improvements. The Division manages the operations of the parking facilities providing

access to monthly, hourly and special event users and is responsible for auditing and reporting parking facility specific revenues and expenditures. The unit also manages third-party contracts and operating agreements with entities for parking-related matters. In addition, the Division oversees the contract with Republic Parking Systems, who is responsible for the day-to-day operations and general housekeeping maintenance and security, as well as on- and off-street enforcement of parking regulations.

RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$ 3,279,198	\$ 3,442,245	\$ 3,487,797	\$ 3,715,396	7.9%
Operating	22,107,084	24,329,339	24,292,273	25,159,215	3.4%
Capital and Other	65,725	426,500	174,000	626,654	46.9%
Transfers	2,103,195	1,967,609	2,264,829	1,782,293	-9.4%
Total Appropriations	\$27,555,202	\$30,165,693	\$30,218,899	\$31,283,558	3.7%
Full Time Equivalents	48.5	48.5	48.5	48.5	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 6,543,761	\$ 6,845,074	\$ 6,825,185	\$ 7,012,710	2.4%
Program	1,056,808	1,017,950	846,205	1,017,950	0.0%
Total General Fund	\$ 7,600,569	\$ 7,863,024	\$ 7,671,390	\$ 8,030,660	2.1%
Transit Fund	17,489,927	19,679,295	19,725,910	20,071,073	2.0%
Parking Fund	2,464,706	2,623,374	2,821,599	3,181,825	21.3%
Total Revenues	\$27,555,202	\$30,165,693	\$30,218,899	\$31,283,558	3.7%
Grants					
Transportation Planning Grant					
Personal Services	\$ 1,076,951	\$ 1,163,282	\$ 1,163,282	\$ 1,190,000	2.3%
Operating	600,682	823,005	823,005	1,525,731	85.4%
Total Appropriations	\$ 1,677,633	\$ 1,986,287	\$ 1,986,287	\$ 2,715,731	36.7%
Full Time Equivalents	9.5	9.5	9.5	9.5	-
Part Time	2	2	2	2	-
Transportation Planning Grant Revenues	\$ 1,677,633	\$ 1,986,287	\$ 1,986,287	\$ 2,715,731	36.7%
Transit Grant					
Personal Services	\$ 175,934	\$ 126,056	\$ 165,614	\$ 171,413	36.0%
Operating	4,458,998	3,878,515	4,195,699	4,049,242	4.4%
Capital and Other	-	4,293,160	4,142,284	2,288,722	-46.7%
Total Appropriations	\$ 4,634,932	\$ 8,297,731	\$ 8,503,597	\$ 6,509,377	-21.6%
Full Time Equivalents	2	2	2	2	-
Part Time	-	-	-	-	-
Transit Grant Revenues	\$ 4,634,932	\$ 8,297,731	\$ 8,503,597	\$ 6,509,377	-21.6%
Total Budget	\$33,867,767	\$40,449,711	\$40,708,783	\$40,508,666	0.1%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Transportation Services **General Fund:** \$1,605,949
FTEs: 13.5
Grants: \$2,715,731
FTEs: 9.5

Goal: Thriving and Livable Neighborhoods
Objective: To plan, operate and maintain safe and efficient transportation systems for the City by reviewing 95% of Traffic Impact Analyses (TIA) within 60 days and site plans within allotted review times.
Initiative: Assign a development review staff person with primary responsibility for Traffic Impact Analysis and use on-call development review services as development applications warrant.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# TIAs reviewed	16	12	15	12

Goal: Thriving and Livable Neighborhoods
Objective: To ensure safe, reliable and customer-friendly vehicle for hire service effectively and efficiently enforcing the Passenger Vehicle for Hire Ordinance and regulations by inspecting 100% of all vehicles for hire and drivers' eligibility requirements annually.
Initiative: Inspect all vehicles for hire annually for compliance with established vehicle insurance, equipment, condition, appearance, and safety standards, and annually review all driver permit applications and renewals to ensure driver standard's compliance.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# of Passenger Vehicles for Hire inspected annually	242	260	210	210
# of Drivers permitted	167	290	167	167

Program: Traffic Operations **General Fund:** \$3,044,212
FTEs: 31.0

Goal: Thriving and Livable Neighborhoods and Stewardship of City's Physical Assets
Objective: To operate and maintain a well-managed traffic signal system with 90% of signalized intersections operating at Level of Service (LOS) D or better by analyzing traffic volumes and signal timing plans for all traffic signals once every eighteen months to ensure minimum vehicle delay and maximum efficiency.
Initiative: Conduct peak-hour turning movement counts and traffic analysis all traffic signals every two years.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Signals maintained	406	405	411	412
# Signals maintained per FTE	45.1	45.0	45.7	45.8
% Signals operating > LOS D	98%	95%	97%	97%

Goal: Stewardship of City's Physical Assets

Objective: To maintain well-marked, highly visible pavement markings to ensure efficient traffic operations and public safety by restriping 50% of the pavement lane markings (90 miles/year), 75% of all stop bars and crosswalks (20,000 ft./yr), and 50% of all pavement symbols (600/yr.) once every five years.

Initiative: Maintain an inventory of all pavement markings, monitor established life-cycles and conduct routine field inspections which ensure conformance with Manual on Uniform Traffic Control Devices (MUTCD) maintenance schedules.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# Miles of lane markings striped	80	90	55	90
# Feet of markings striped per labor hour	628	420	465	420
# Feet of crosswalks & stop bars striped	20,635	22,000	22,000	22,000
# Feet of crosswalks & stop bars striped per labor hour	36.3	32.0	33.0	32.0

Program: Street Lighting **General Fund:** \$3,380,499
FTEs: 1.0

Goal: Safe and Secure Community and Thriving Livable Neighborhoods

Objective: To maintain a safe and efficient transportation system by improving street lighting, reviewing and implementing new street lighting requests as submitted by the Durham Police Department, citizens, PACs, or as identified by traffic safety studies and road construction project designs.

Initiative: Issue design and installation requests to electric utility for 95% of all eligible projects within two weeks of receiving a sufficient petition or property owner notification.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
# New street lights installed	332	450	484	450
# Street lights per 1,000 capita	86	88	85	86

Program: Transit **Transit Fund:** \$20,071,073
Grants: \$6,509,377
FTEs: 2.0

Goal: Thriving and Livable Neighborhoods

Objective: To provide reliable fixed-route transit service to people who live, work, or play in Durham in order to connect them to the places that they want to go in a timely manner, increasing average riders per revenue hour 1.5% from 31.50 to 32.00, and to improve on-time performance by 3 percentage points from 85% to 88% with an eventual target of 90% of all trip departures between the scheduled departure time and five minutes late.

Initiative: To monitor demand, modify and operate routes and schedules to improve service convenience and efficiency of service delivery, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Average daily boards	19,974	20,600	20,300	20,892
Passengers per Hour	32.06	N/A	31.50	32.00
Cost per revenue hour	\$86.96	\$92.07	\$87.00	\$90.18

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
On-time Performance	84.4%	85.0%	85.0%	88.0%

Goal: Thriving Livable Neighborhoods

Objective: To provide ADA paratransit service to people with limited mobility that cannot use the DATA fixed-route service of Durham in order to connect them to the places they want to go in a timely manner, cost-effectively meeting demand by increasing the passengers per hour from 2.16 and maintaining on-time performance (85% within the 15 minute window, and 90% on-time arrivals at appointments).

Initiative: To monitor demand, modify scheduling and procedures to improve service efficiency, transition people to the fixed route and other transit services, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% Operate paratransit service within 15 minutes of scheduled time	77.3%	85.0%	80.0%	85.0%
% of on-time arrival to appointments	N/A	N/A	90.0%	92.0%
# Passengers per hour	2.18	2.16	2.16	2.16

Program: Parking **Parking Fund** **\$3,181,825**
FTEs: **3.0**

Goal: Innovative and High Performing Organization and Thriving Livable Neighborhoods

Objective: To increase overall performance with parking operations by collecting 72% of all citations.

Initiative: To reduce the balance of outstanding and uncollectable citations.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% Collection of citations issued	72.38%	72.00%	72.00%	74.00%
% Increase in parking citations issued	26.23%	3.00%	10.00%	10.00%
% of Citations appealed vs. issued	7.15%	5.50%	6.00%	6.00%

Goal: Innovative and High Performing Organization and Thriving Livable Neighborhood

Objective: To increase the utilization of the City's off-street parking facilities

Initiative: Implement strategies to increase occupancy of parking facilities

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Average occupancy in parking garages	58.3%	56.0%	68.0%	72.0%
Average occupancy off-street parking lots	60.1%	51.0%	65.0%	68.0%
Average revenue per space for garages and off-street lots	\$47.90	\$48.00	\$75.00	\$75.00

BUDGET ISSUES FOR FY 2016-17

- Update the multi-year budget for the transit system.
- Update the multi-year budget for the Parking Enterprise Fund.
- Public/Private parking opportunities in the Downtown.
- Manage limited resources without service impacts.

ACCOMPLISHMENTS FOR FY 2015-16

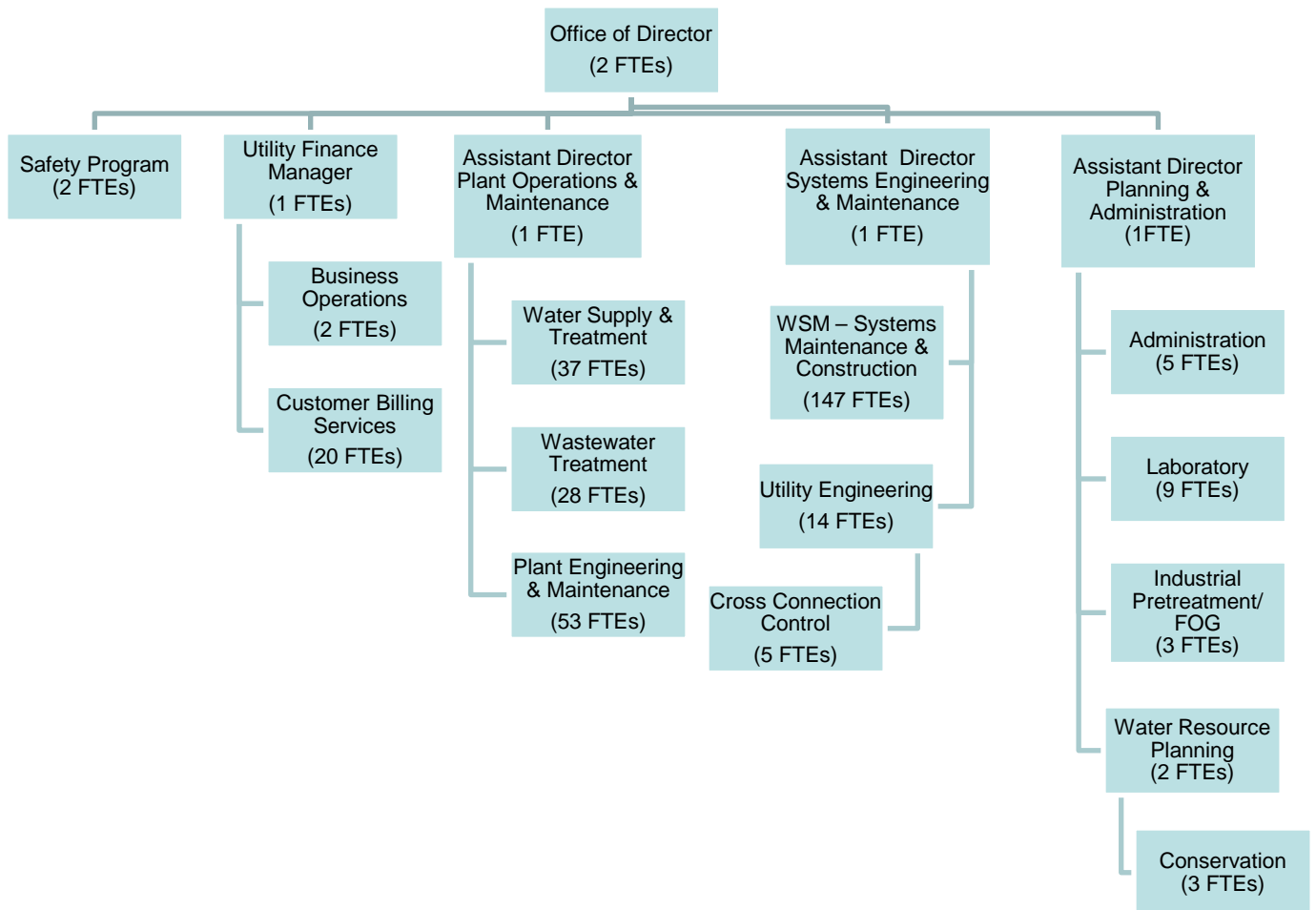
- Implemented new Parking Management Agreement.
- Increased security in the parking facilities from 6pm – 7am, seven days per week.
- Launched License Plate Recognition functionality for parking enforcement.
- Implemented streamlined registration process for the Controlled Residential Parking Area Program.
- Implemented evening and weekend Controlled Residential Parking Area restrictions on residential streets near Central Park.
- Implemented new special event parking notification process for Downtown residents and businesses.
- Implemented enhanced winter weather procedures for Parking Facilities.
- Improved accessibility and amenities at GoDurham bus stops.
- Transported 20,000 daily fixed route passengers.
- Transported over 135,000 annual paratransit passengers.
- Implemented changes to Bull City Connector.
- Implemented new security camera system at Durham Station.
- Installed new camera system onboard ACCESS vehicles.
- Implemented new automated notification system for paratransit passengers.
- Implemented new GoDurham service improvements.
- Launched new DCHC MPO website.
- Optimized traffic signal timing at 200 intersections.
- Completed 55 miles of pavement markings.
- Continued to enhance bicycle and pedestrian amenities.
- Continued the City's Speed Hump Program with traffic studies, petitions, and installations.
- Provided input and assistance to Triangle Transit for the Durham-Orange light rail transit project development.
- Installed 484 street lights.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- Implement new paid on-street parking management system.
- Implement new off-street parking access and revenue control equipment.
- Launch Pay-By-Phone payment functionality
- Improve accessibility and amenities at GoDurham bus stops.
- Transport 20,600 daily fixed route passengers.
- Implement new route connecting residents in South Durham to Duke/VA Medical Centers and Duke University.
- Implement extended transit service on Sundays (until 9pm).
- Implement other transit service improvements.
- Conduct a new 5-Year Transit Plan for GoDurham services.
- Transport 140,000 annual paratransit passengers.
- Optimize traffic signal timing at 200 intersections.
- Complete 90 miles of pavement markings.
- Install/replace 3,700 traffic signs.
- Update the DurhamWalks! Pedestrian Plan project priorities.
- Add (5) five miles of bicycle lanes.
- Continue to enhance bicycle and pedestrian amenities.
- Develop the Duke Beltline Master Plan.
- Continue the City's Speed Hump Program with traffic studies, petitions, installations.
- Amend Passenger Vehicle for Hire Ordinance to address digital dispatching services.
- Install 450 new street lights.



Water Management (336 FTEs)



WATER MANAGEMENT

Purpose Statement:

To provide cost effective water and wastewater services that meet customers' expectations and all regulatory requirements.

DEPARTMENT DESCRIPTION

Water Management

Water and Sewer Fund: \$43,230,475

335.5 FTEs

Solid Waste Fund: 256,132

0.5 FTE

The Department of Water Management provides critical services for public health and safety by providing water that is safe to drink, and to use for other key purposes including fire protection. Additional functions include ensuring sustainable, reliable operations of water supply and water and wastewater treatment facilities. Standardized operations of the wastewater collection system and treatment facilities protect the public's health and safety, the environment and downstream users. In the delivery of these vital services, the department supports the City's goals of maintaining a strong and diverse economy, providing a safe and secure community and thriving, livable neighborhoods. Attention to security for both water and wastewater facilities and systems remains an integral part of operations for reliable short and long term needs. Long range planning for expanding water resources and treatment capacities contributes to a sustainable, innovative and high performing City. The department champions the City's goal of stewardship of our physical assets through effective maintenance and improvement activities. Through self-evaluation, benchmarking opportunities and other sound business practices the department pursues efforts to remain competitive with other cities and utilities, while promoting a positive image for the City and the services provided. Support for expanded automation of plant operations continues with the goal of maximizing chemical and power efficiencies, despite increasing stringent regulatory requirements and escalating energy costs. The department is committed to ensuring that Durham citizens live and work in an innovative and high performing City with efficient and accountable provision of water and sewer services by improving reliability and maximizing staff deployment. Implementation of the long-range Capital Improvement Plan continues to be a focus to promote stewardship of the City's physical assets. Staff will continue to develop appropriate tools to expand departmental financial management strategies.

Administrative

Administration

Administration is tasked with the management, oversight and planning necessary to provide adequate and sustainable water supplies and treatment capacity for both drinking water and wastewater to meet the needs of a growing community and providing the foundation for a prosperous economy. Personnel are responsible for the fiscal management of the Water and Sewer fund and administering a broad range of environmental programs to ensure that citizens are safe, enjoy a flourishing economy and healthy environment, and have an efficient and accountable city government. These efforts provide critical services to the citizens of Durham related to water quality, wastewater treatment and industrial/commercial activity. Administrative staff is also responsible for addressing regulatory concerns, monitoring legislative activity and coordinating public information activities.

Customer Billing Services

This division is the first point of contact for most customers. Staff provides billing services for the utility which include responding to customer inquiries, establishing new accounts, closing accounts for customers who move out, updating customer accounts for any changes, and enforcing collection of charges from active customers.

Industrial Waste Control/FOG Program

This program administers the City's mandated Industrial Waste Pretreatment/Fats, Oils and Grease Program under the City's Sewer Use Ordinance, the WRF NPDES permits and the Collection System Permit. Staff also conduct active public education, outreach and advertising campaigns to promote public awareness of proper grease disposal.

Laboratory Services

The Laboratory Services Section of the department, located at the South Durham Facility, provides lab analysis in the State certified laboratory for the water, wastewater, industrial waste and stormwater programs. This ensures that citizens enjoy an efficient and accountable city government while assuring that drinking water meets state and federal standards and that wastewater discharges meet permit limits to protect the environment and downstream users.

Water Efficiency and Conservation Program

The Water Efficiency and Conservation Program supports water supply management strategies by tracking compliance with the year-round water irrigation measures, implementing the water efficiency rebate program and active advertising and marketing of water efficiency programs and practices.

Operations

Water Supply and Treatment

The key mission of this division is to provide a safe, reliable, economical and sufficient supply of drinking water to the citizens of Durham City and County. Through optimizing treatment processes, maximizing water transfer strategies and conducting monitoring activities, staff ensures that adequate supplies of consistently high quality drinking water are available. The Water Supply and Treatment Division operates and maintains two conventional water treatment facilities with a combined treatment capacity of 52 million gallons per day (MGD), and two surface water reservoirs with a combined safe yield of 27.9 MGD. Certified staff operates equipment and adjusts treatment technologies to optimize the physical and chemical processes vital for effective water treatment and selects pumping scenarios to assure adequate supplies at economical costs. Major projects in the design phase will expand the capacity of the Brown Water Treatment Plant to 42 MGD and provide reliable residuals handling facilities for both water treatment plants.

Wastewater Treatment

Charged with providing the citizens of Durham with cost effective, wastewater treatment and residuals management, certified staff optimize the treatment processes so that the North Durham and South Durham facilities discharge consistently high quality effluent in compliance with State permit requirements. The North and South Durham workgroups operate and maintain state-of-the-art tertiary treatment facilities, each with a permitted capacity of 20 MGD. Both facilities are tasked with developing operational strategies to reduce the discharge of nutrients into receiving streams in accordance with state mandates such as the Falls and Jordan Lake Rules. Numerous facility upgrades are either under way or planned to meet stringent water quality or biosolids disposal regulations.

Maintenance

This service area provides the citizens of Durham with cost effective maintenance of water and sewer infrastructure including the distribution and collection systems, raw water lake facilities, water treatment and water reclamation facilities, pump stations and elevated storage tanks.

Systems Maintenance and Construction

The Systems Maintenance and Construction division provides routine and emergency maintenance to the water distribution and wastewater collection systems as well as the installation of new service lines. Tasks include the inspection, cleaning and repair of water mains and sewer trunk lines. This division also operates and maintains fire hydrants and water valves, and installs and repairs water and sewer service connections. This workgroup is also responsible for reading water meters using automated meter reading technology and providing routine and emergency response to water meter problems, including leaks, unusual consumption rates and water pressure concerns. Employees in the field services unit provide routine connection and disconnection services for customers.

Plant Engineering and Maintenance

The Plant Engineering and Maintenance division provides essential support for water and wastewater facilities, pump stations and other facilities by providing both major corrective maintenance and conducting minor construction activities. This division also provides support in the long-term maintenance of the closed landfill. Expenses for these support services are apportioned to the appropriate core services of water and wastewater as they relate to performance indicators.

Engineering

Utility Engineering

Utility Engineering manages the ongoing evaluation and improvement of departmental facilities and engineering projects for water and wastewater facilities as a part of the Capital Improvements Program. This unit also provides water distribution and wastewater collection system monitoring and analytical support necessary for detecting inflow and infiltration problems. The program also has oversight of manhole rehabilitation and replacement projects, supplemental flow studies and major pipeline reconstruction and renewal services for both the water distribution and wastewater collection systems.

Cross-Connection Control Program

Program staff implement the City's Cross-Connection Control Ordinance to ensure the protection of the potable water system. Tasks include monitoring annual testing of backflow prevention devices (BFP), reviewing plans, conducting inspections of BFP installations and training BFP testers.

Post-Closure Monitoring

This service area provides oversight for the monitoring and maintenance of the closed landfill and is supported by the Solid Waste Fund. With the implementation of the landfill gas to power project, there is a revenue stream associated with this function.

RESOURCE ALLOCATION					
	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Proposed FY 2016-17	Change
Appropriations					
Personal Services	\$19,450,382	\$21,830,665	\$19,697,977	\$22,595,850	3.5%
Operating	18,176,887	20,617,581	21,073,368	20,672,757	0.3%
Capital and Other	-	-	278,612	218,000	100.0%
Total Appropriations	\$37,627,269	\$42,448,246	\$41,049,957	\$43,486,607	2.4%
Full Time Equivalents	333	333	333	336	3
Part Time	2	2	2	2	-
Revenues					
Water and Sewer Fund	\$37,448,290	\$42,194,634	\$40,825,109	\$43,230,475	2.5%
Solid Waste Disposal Fund	178,979	253,612	224,848	256,132	1.0%
Total Revenues	\$37,627,269	\$42,448,246	\$41,049,957	\$43,486,607	2.4%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

Program: Administration **Water & Sewer Fund: \$2,256,165**
FTEs: 15
Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

Objective: To sustain the community's drinking water needs by maintaining water demand/supply capacity percentage at 80% or less.

Initiative: To monitor annual demands, track daily and monthly demands and trends and project future raw water demands to meet system growth needs. Initiate planning for future expansion and/or increased allocation prior to reaching 80% benchmark.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Annual demand as a percent of water supply volume	72%	73%	72%	73%

Objective: To ensure adequate wastewater treatment capacity for community needs by maintaining treatment plant discharges/treatment plant capacity percentage at 80% or less.

Initiative: Track monthly discharge flows and trends and monitor treatment flows as a percentage of the rated capacities and project future system needs for capacity and process treatment. Initiate planning for expansion or upgrades prior to reaching 80% benchmark.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Wastewater Average annual flow as a percentage of rated capacity	44%	50%	46%	50%

Program: Customer Billing Services **Water & Sewer Fund:** \$2,466,628
FTEs: 20

Goal: Well-Managed City

Objective: To enhance and increase customer responsiveness by promptly answering telephone calls transferred from Durham One Call.

Initiative: Closer monitoring of incoming phone call levels and managing staffing levels/training to minimize wait time for assistance and call abandonment which compounds difficulty when customers call back.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
Average minutes hold time in queue before answer	2.5	2.5	3.0	2.5
% of Callers who abandon (hang up) call prior to CBS staff answering.	15.83%	10.00%	12.00%	10.00%

Objective: Enforce ordinances and collection policies for water and sewer services and reduce the number of accounts delinquent more than 60 days to less than 10% of accounts billed.

Initiative: Aggressively enforce cut-offs for non-residential accounts. Review aging reports to monitor effectiveness of cut-off strategy.

	Actual	Adopted	Estimated	Proposed
Measures:	FY15	FY16	FY16	FY17
% of Active Accounts delinquent more than 60 days	5.39%	5.00%	3.92%	4.00%

Program: Plant Engineering and Maintenance **Water & Sewer Fund:** \$5,159,457
FTEs: 54

Program: Laboratory Services **Water & Sewer Fund:** \$945,546
FTEs: 9

Program: Industrial Waste Control/FOG **Water & Sewer Fund:** \$317,589
FTEs: 3

Program: Water Efficiency/Conservation **Water & Sewer Fund:** \$470,803
FTEs: 3

Program: Cross Connection Control **Water & Sewer Fund:** \$501,043
FTEs: 5

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets
Objective: To protect the City's potable water supply by implementing and enforcing the City's Cross Connection Control Ordinance and achieve compliance with annual backflow preventer (BFP) testing as mandated by the City's Cross Connection Control Ordinance.
Initiative: Maintain database, conduct inspections, mail notices and review test and maintenance submittals monthly to ensure compliance with ordinance requirements.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% of BFP owners conducting & submitting reports as required	88%	95%	88%	89%

Program: Water Supply and Treatment **Water & Sewer Fund:** \$8,164,270
FTEs: 37

Goal: Stewardship of the City's Physical Assets
Objective: To provide customers with a sufficient and aesthetically pleasing supply of safe drinking water, meeting all regulatory requirements, in a cost efficient manner.
Initiative: To produce drinking water that meets all regulatory requirements, while monitoring operations at the reservoirs and water treatment facilities to ensure cost efficiencies are consistently applied.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
% Compliance with Federal and State drinking water quality standards	100%	100%	100%	100%
Treatment cost per million gallons of treated water.	\$882.19	\$919.77	\$933.47	\$944.00

Objective: To maintain water quality throughout the distribution system consistent with the water quality produced at the treatment plants.
Initiative: Monitor the water quality in the distribution system and respond to customer calls and concerns. If results are found to be outside water quality targets, the issue is evaluated, recorded and steps taken to resolve the concern.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# Water Quality investigations/month requiring corrective action (outside established criteria)	2.5	3	4	3

Program: Wastewater Treatment **Water & Sewer Fund: \$8,588,786**
FTEs: 28

Goal: Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets
Objective: To provide citizens with cost effective wastewater treatment and residuals management while ensuring compliance with all current and future regulations (Falls Lake & Jordan Lake Rules) by reducing discharges of nutrients (Nitrogen and Phosphorus) into the receiving streams.
Initiative: Optimize processes and construct facilities to reduce levels of Nitrogen and Phosphorus discharged.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
NDWRF:				
Lbs. of N** (335,435 allowed)*	79,991	97,000	81,000	81,000
Lbs. of P (10,631 allowed)*	3,175	3,300	2,500	2,500
SDWRF:				
Lbs. of N (334,705 allowed)*	246,645	267,765	220,000	185,345
Lbs. of P (14,053 allowed)*	12,447	10,540	9,000	8,500

*Calendar year

** ND permit limits for CY 2016 for N - 97,000 lbs.

Program: WSM/Systems Maintenance & Construction **Water & Sewer Fund: \$12,784,765**
FTEs: 148

Goal: Innovative and High Performing Organization & Stewardship of City's Physical Assets
Objective: To ensure the operational functionality of the City's sanitary sewer collection system by providing timely and efficient routine maintenance, reducing instances of emergency maintenance, and controlling Sanitary Sewer Overflows (SSOs), to the extent practicable, so that wastewater flows from customers reach water reclamation facilities for appropriate treatment.
Initiative: To maintain sewer collection system in good condition and meet sewer collection system permit requirements.

	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
Measures:				
# of Repeat SSOs	0	0	0	0
% of Total sewer system cleaned per year to meet regulatory requirement	14.78%	12.00%	15.50%	12.00%

Goal: Innovative and High Performing Organization

Objective: To ensure that the city measures the amount of water sold accurately and responsibly.

Initiative: Identify and resolve AMR meter failures and regularly test large meters to ensure accuracy in both large and residential meters.

Measures:	Actual FY15	Adopted FY16	Estimated FY16	Proposed FY17
% of 3" and larger meters within AWWA recommendation for accuracy per month	100%	99%	100%	99%
Program: Utility Engineering			Water & Sewer Fund:	\$1,575,423
			Solid Waste Fund:	\$256,132
			FTEs:	14

BUDGET ISSUES FOR FY 2016-2017

- Maintain current levels of water and wastewater services. Energy and chemical costs constitute a substantial portion of water and wastewater treatment costs. Increasing energy and chemical expenditures reflect the costs of meeting increasingly stringent standards for drinking water quality and wastewater discharges.
- Expand efforts to improve revenue for the utility will continue to address CIP funding and the long-term financial health of the Water & Sewer Fund. Continue to evaluate opportunities to enhance revenue streams through on-going improvements and enhancements to MUNIS Utility Billing System and intensified delinquent account collection practices.
- Continue efforts to enhance long range plans for system reliability and water supply, both raw and treated water, which will require additional CIP funding. Predicted changes in weather patterns and climate may impact the reliability of current sources.
- Sustainable funding of infrastructure rehabilitation and replacement continues to be an issue of concern for the utility.
- Continue taking advantage of technological efficiencies with business processes and customer service delivery which will involve increased financial and human resources.

ACCOMPLISHMENTS FOR FY 2015-16

- Provided 26.54 Million Gallons per Day (MGD) of drinking water that met all state and federal water quality standards to Durham customers (calendar year).
- Discharged 18.30 MGD of highly treated effluent meeting all NPDES permit requirements into the receiving waters in the Neuse and Cape Fear basins (calendar year).
- Updated departmental plan in response to results from the 2014 Employee Satisfaction Survey
- Issued RFP and selected vendor to provide an IVR system for customer and billing services offering ability to pay utility bills by phone as well as extending web options for payment and customer account self-service.
- Based on the Triangle Regional Water Supply Plan, submitted allocation request in November 2015 to DENR/EMC requesting retention of current 10% allocation of Jordan Lake and additional allocation of 6.5% of the water supply pool of the Lake. With Western Intake Partners, completed feasibility study on development of a regional intake on the western portion of the lake, transmission and treatment facilities.
- Completed the Collection System Management, Operations and Maintenance (MOM) Plan.
- Completed the master plan for the Water Management Facility Expansion.
- Reached substantial completion of the Downtown Loop Water Main Replacement project.
- Completed construction of the Southeast Pressure Zone elevated storage tank and initiated new pressure zone in April 2016.
- Continued design of the Downtown Durham Development Rehabilitation (Durham Central Park) project.
- Completed design and construction of numerous rehabilitation projects at North and South Durham WRFs.
- Completed construction of the Chemical Feed/Nutrient Removal Systems project at North and South Durham WRFs.
- Began electronic submittals of monthly Discharge Monitoring Reports to DEQ for the North Durham Water Reclamation facility in October, 2015.

- Started Contract SR-61, Sanitary Sewer System Repairs.
- Completed Contract SR-58, which includes CIPP lining and manhole rehabilitation.
- Completed Contract SR-57 which includes CCTV inspection of sewer mains, smoke testing and manhole inspections.
- Completed construction of Contract SR-59, Chemical Control of Sewer Root Intrusions.
- Completed several sewer replacement and rehabilitation projects at numerous sites.
- Completed upgrades to the interim Snow Hill Lift Station.
- Began a City-wide Reclaimed Water Master Plan.
- Continued design and permitting of the FY 2014 WRF Improvements at North and South Durham WRFs.
- Began rehabilitation master plans for the Lake Michie and Little River dams.
- Continued a Supervisory Control and Data Acquisition (SCADA) master plan for DWM plants and facilities.
- Trained additional instructors for the Smith Driving Program.
- Participated in interdepartmental Billing Processes Task Force designed to review City-wide billing with the objective of maximizing business efficiencies and the customer/citizen experience through initiative to combine billing for yard waste onto utility bills and refining process to identify and remediate billing errors and irregularities.
- Continued efforts on data integrity and clean up including merging duplicate customer numbers and ensuring that all utility billing locations reflect current GIS address points and parcel numbers.
- Continued collaboration between customer service and water/sewer maintenance divisions to better coordinate billing and collection success including redrawing district lines to increase efficiency by balancing daily workloads and to improve service delivery by reducing travel times.
- Collaborated with TS and Finance to upgrade enterprise billing software and implement enhancements.
- Updated written procedures and created process maps for most customer service functions.

ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17

- In concert with Jordan Lake Partners, continue collaborative planning efforts to develop direct access to Jordan Lake with interested partners along with regional water transfer strategies to maximize water sources. Anticipate EMC action on allocation requests mid-summer 2016.
- Implement enhanced customer responsiveness through new/expanded technologies for payment options over the phone and web.
- Continue to implement tools and strategies to increase collection rates for water and sewer bills.
- Complete sewer replacement and rehabilitation projects at numerous sites.
- Begin design for the Water Management Facility Expansion.
- Complete construction of the Downtown Loop water main replacement project.
- Begin the construction of the Water Treatment Regulatory Compliance and Water Facilities Rehabilitation projects.
- Begin construction of the Water Treatment Plants Residuals Handling project.
- Complete design of the Downtown Durham Development Rehabilitation (Durham Central Park) project.
- Continue Route Analysis and design of the Downtown East-West Reinforcing Main.
- Continue design of the American Tobacco District Water Main Replacement Project.
- Continue design of the Southeast Regional Lift Station.
- Begin electronic submittal of monthly Discharge Monitoring Reports to DEQ for the South Durham Water Reclamation Facility.
- Continue to participate in the City's strategic plan implementation and more closely align the department's Strategic Plan.
- Continue succession planning effort for department, focusing on key/critical positions as a part of employee and leadership development within the department.
- Continue to implement departmental and divisional actions plans to address issues noted in the 2014 Employee Satisfaction Survey. Expand intra-departmental communications through various means.
- Continue the implementation of an asset management system and integration of asset management culture throughout the Department.
- Continue support of professional development and certification attainment for all staff where applicable.
- Maintain emphasis on working safe, enhancing safety training to ensure worker safety while protecting the City's/department's investment in equipment/vehicles.
- Continue to develop a safety culture and programs that drive the Department closer to achieving the North Carolina Department of Labor SHARP status.

- Continue to train new employees and have current employees take refreshers as necessary via the Smith Driving System to reduce vehicle accidents.
- Enhance and expand public awareness of the department's activities through education, outreach and marketing campaigns with a focus on the water conservation/efficiency and the Fats, Oils and Grease programs; maintain and expand water efficiency incentive programs with a focus on low income families.
- Implement e-billing and electronic lobby wait line management software.
- Review customer service business processes and customer communications along with a quality assurance program to evaluate customer satisfaction and formulate appropriate response for continuous improvement.

DEBT MANAGEMENT

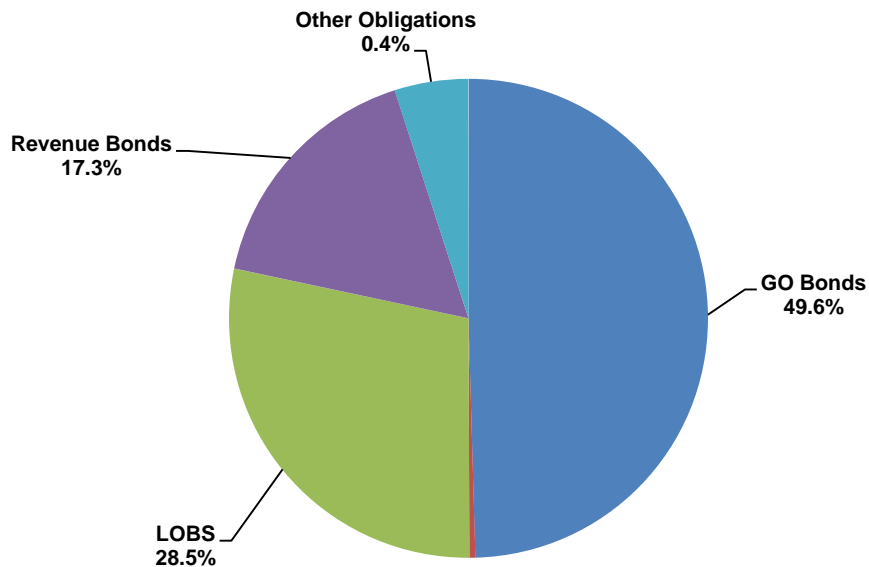
The City manages its long term financing needs through periodic issuance of General Obligation Bonds. Debt service expenditures include principal and interest payments on the City's outstanding bonded debt. These payments are budgeted in the funds that incur the debt: for example, water and sewer debt service is paid from the Water and Sewer Fund. In addition to General Obligation bonds, the City issues revenue bonds and enters into installment sales/lease obligations as allowed under state statutes.

Ratings: Bond ratings are measures of the City's credit worthiness. The rating agencies analyze the City's economic condition, debt management, administrative leadership, and fiscal planning and management to determine the quality of the City's credit. The City has a "triple A" rating from all three rating agencies (Standard and Poor's, Fitch Ratings Ltd. and Moody's Investor Service). This represents the highest possible rating for municipal debt, indicating that the City has outstanding credit worthiness. The City's high bond ratings have allowed it to broaden the market for its bonds and to lower the interest costs for borrowing.

Summary of Outstanding Debt Issues

	Fiscal Year 2016-17 Obligations			Future Obligations		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds	\$16,745,000	\$7,462,785	\$24,207,785	\$158,720,000	\$38,581,304	\$197,304,304
Installment Sales	1,430,000	76,005	1,506,005	0	0	\$0
Revenue Bonds	3,570,000	2,896,838	6,466,838	55,470,000	35,577,675	\$91,047,675
Limited Obligation Bonds	9,400,000	3,562,899	12,962,899	91,175,000	25,863,877	\$117,038,877
<u>Other Obligations</u>	<u>3,004,750</u>	<u>373,423</u>	<u>3,378,173</u>	<u>14,675,000</u>	<u>2,476,275</u>	<u>\$17,154,275</u>
Total Debt Service:	\$34,149,750	\$14,371,949	\$48,521,699	\$320,040,000	\$102,502,132	\$422,542,132

**Outstanding Debt by Type of Issue
FY2016-17**



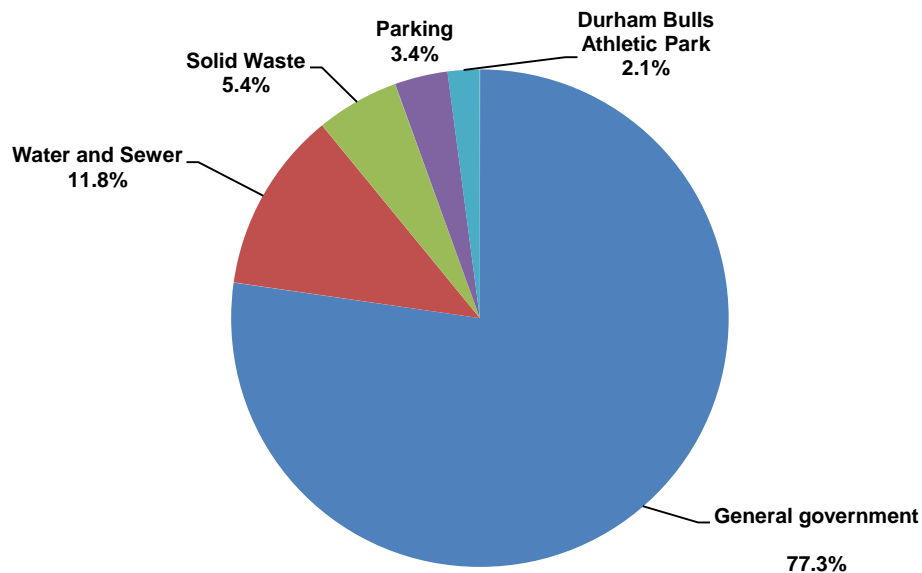
Legal Debt Limit:

The City is subject to the Local Government Bond Act. The Act limits the net bonded debt that the City may have outstanding to eight percent of the appraised value of property subject to taxation. As of March 1st, 2016 the statutory limit for bonded debt for the City was \$1,874,978,975 providing a debt margin of approximately \$1,601,329,810.

Outstanding General Obligation Debt

General Obligations

General Government	\$135,623,260
Water & Sewer	20,690,585
Solid Waste	9,447,973
Parking	6,031,641
Durham Bulls Athletic Park	3,671,541
Total	\$175,465,000

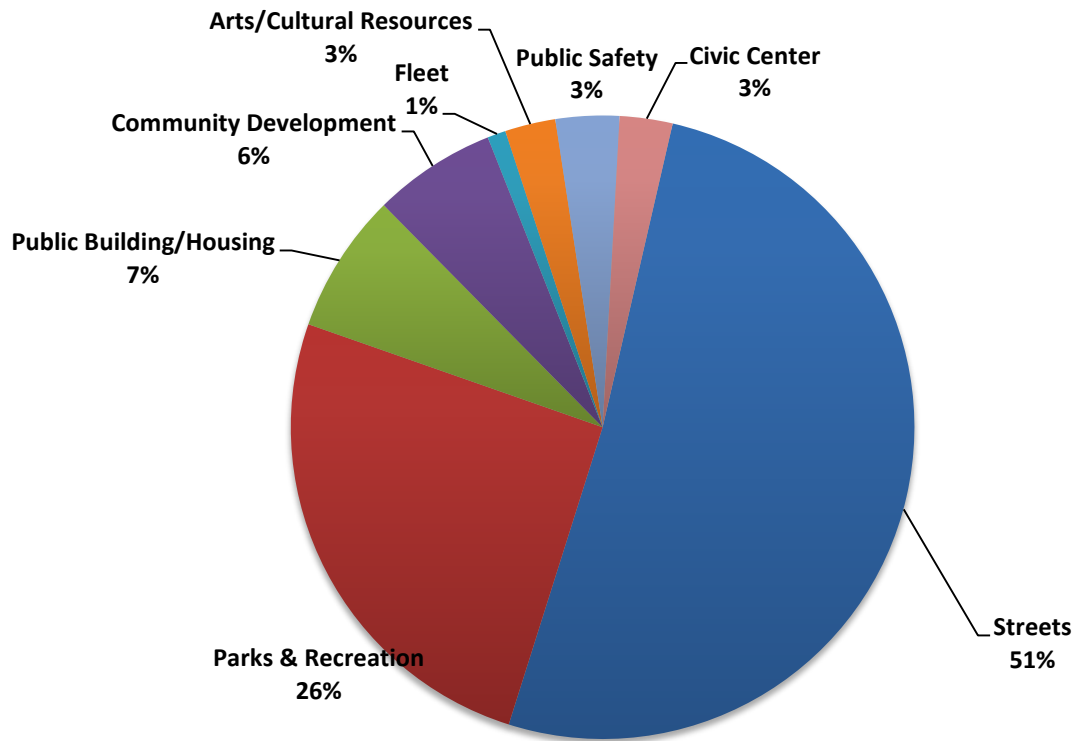
**Outstanding General Obligation Debt
FY 2016-17**

Outstanding General Government General Obligation Debt

General Government

Arts/Cultural Resources	\$3,529,355
Public Building /Housing	9,763,043
Community Development	8,580,278
Parks and Recreation	34,284,928
Fleet	1,278,439
Public Safety	4,440,802
Civic Center	3,684,918
Streets	68,946,012
Public Improvements	1,074,300
Technology	41,185
Total	\$135,623,260

Outstanding General Government G.O. Debt FY 2016-17



Outstanding General Government General Obligation Debt

The City currently has no Authorized and unissued Debt

Outstanding Variable Rate Debt

The City currently has no variable rate debt outstanding.

Annual Principal and Interest Requirements FY 2016-17

<u>Issue</u>	<u>Debt Purpose</u>	<u>Principal</u>	<u>Interest</u>	<u>Future Principal Obligations</u>
COPS-2005-A	2005 COPS	500,000	26,250	0
COPS-2007-A	Durham Performing Arts Center	930,000	49,755	0
GO-2006-B	2006B GOs	1,010,000	23,515	0
GO-2007-A	Refund (98 99 00B 02 04)	4,535,000	1,123,169	18,075,000
GO-2008-A	2/3rds G.O. Bonds	570,000	61,550	775,000
GO-2008-B	05 & 07 authority	2,130,000	202,200	2,925,000
GO-2009-A	REFUNDING 98, 99, 00B, 02, 04	1,705,000	244,050	3,855,000
GO-2010-A	GO Series 2010A	2,190,000	1,264,970	30,665,000
GO-2012-A	General Obligation Bonds, Series 2012A	1,010,000	293,081	7,860,000
GO-2012-C	GO Bond Series 2012C 2005/2010 Bond Ref	2,230,000	1,526,750	35,660,000
GO-2012-D	GO Bond Series 2012D Refunding	985,000	433,550	9,645,000
GO-2015-A	GO Refunding Bonds, Series 2015	380,000	2,289,950	49,260,000
HUD-2015-	Section 108 Loan	360,000	211,979	7,425,000
LEASE-2011-A	Private Placement	634,750	5,109	0
LEASE -2015	Fleet Refinancing	1,875,000	133,087	6,575,000
LOBS-2010-LOBA	LOBs 2010	1,225,000	875,284	17,105,000
LOBS-2010-LOBB	LOBs 2010 Fleet	1,075,000	56,217	1,075,000
LOBS-2010-R-1	2001 Refunding Bonds	670,000	124,700	2,620,000
LOBS-2010-R-2	2008 Refunding Bonds	700,000	324,650	7,635,000
LOBS-2012-A	LOB Series 2012A Refunding	780,000	162,338	4,215,000
LOBS-2012-B	Refunding LOBs	825,000	164,099	5,970,000
LOBS-2013-A	LOBS 2013A	2,220,000	580,856	11,945,000
LOBS-2013-B	LOBS 2013B	1,475,000	453,522	11,755,000
LOBS-2015-A	Taxable Refunding LOBs	430,000	821,233	28,855,000
REVENUE-2005-A	Revenue Refunding	2,500,000	512,138	7,255,000
REVENUE-2011-R	Revenue Bond Series 2011	1,070,000	2,384,700	48,215,000
<u>STATE LOAN-2001-B</u>	<u>State Loan/Clean Water Revolving</u>	<u>135,000</u>	<u>23,247</u>	<u>675,000</u>
Total		\$34,149,750	\$14,371,949	\$320,040,000

SECTION XII

Capital and Grant Project Information

Note for the Preliminary FY 2016 – 17 Budget

The final Capital Improvement Program book and grant project ordinances will be prepared prior to the adoption of the budget on June 20, 2016.

Section XIII

Supplemental Information

Note for the Preliminary FY 2016 – 17 Budget

Supplemental information will be included in the final Budget Book.